THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

April 5, 1941

America Watches Closely Japan's Antics in Southern Pacific Areas

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Axis Has Bad Week

"Crisis Has Passed"—Chiang

Japan Less Successful Than Germany in Exploiting Occupied Lands

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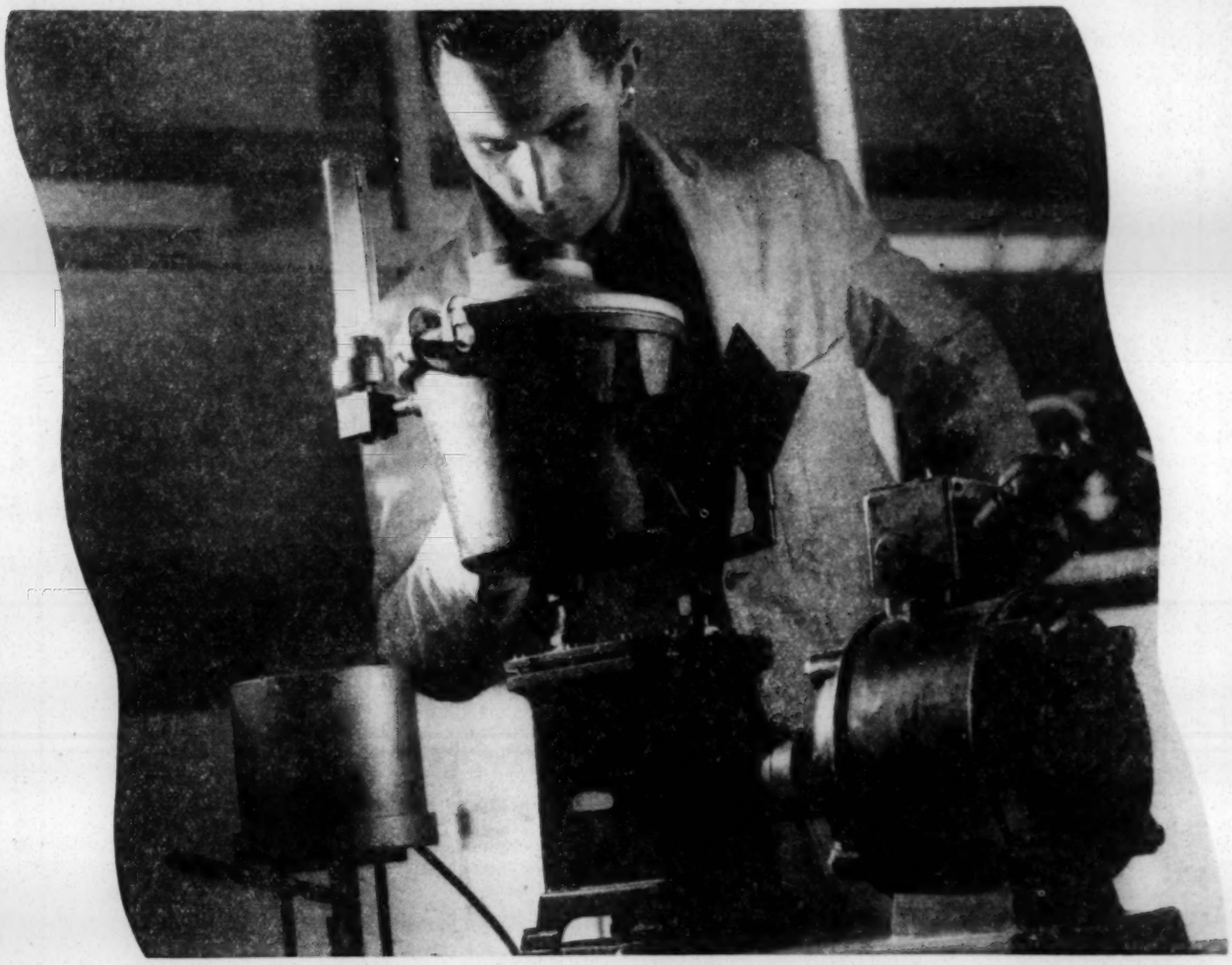

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What People Are Saying

Comments from readers on current topics are cordially invited; their opinions, however, do not necessarily represent the views of *The China Weekly Review*.

SHOCKED BY INCIDENT

To the Editor:

(Copy of a letter addressed to the Central Executive Committee of the Kuomintang at Chungking.)

I write this as a voice from the people and regret that I must write in English because, being educated abroad, I cannot do otherwise.

The news of the New Army incident came to me as a shock. Generalissimo Chiang's speech has been carefully read by me. Much as I, as well as many other Chinese emigrants here, love the Generalissimo, I regret that I cannot bring myself to see the matter in the same light.

That the New Fourth Army is a perfectly good army there is no doubt in the mind of the people in and out of the country. This is not a statement based on mere hearsay, but on testimonies by friends returning from Central China and on reports received from sons, brothers, and sisters actually participating in the actual fighting. Even the enemy themselves have often aired their fear of this army in their own newspapers and magazines. Indeed, it is due to the activities of the New Fourth Army that the enemy has so far been prevened from making use of the material and human resources of the richest part of China. And this army is now dissolved!

It seems that the New Fourth Army is blamed for disobeying orders—orders that transferred them to the north via a stipulated route and within a fixfied time. And they must be transferred because they had committed many offenses which the highest mimlitary authorities did no choose to announce. It seems easy enough to incriminate, as the Chinese saying goes, but, in the name of justice, I am sure that the whole nation will not be blind to the following fact.

Firstly, as is well known, the New Army has been such a success simply because it is truly a people's army. That is to say the army is mainly composed of the local inhabitants of the area where it fights. To transfer the army to the north is therefore as much as to order the wholesale migration of the People from one place to another.

Secondly, to order the New Fourth Army to move to the north, i.e., to the Japanese-occupied area, within a fixed period and via a stipulated zone is to give warning and a chance to the enemy to attack them.

Thirdly, the Government disapproves an army fighting mainly behind the —and incidentally admits—the rapid expansion of the New Fourth Army. Surely enemy's front must necessarily expand and cannot expand unless it has the enthusiastic support of the people.

Fourthly, with their own eyes, the Chinese emigrants in French Indo-China have seen thousands of tons of wood oil and other valuable Chinese exports smuggled from China into French Indo-China and ultimately into the hands of the enemy. It is also common knowledge that most of this smuggling is carried out under military escort. If discipline is so important that the whole New Fourth Army should be disbanded for want of it, it is difficult to understand why other troops who have openly defied the Government's law should be allowed to carry on without punishment.

The fate of the nation now hangs on a balance. Four and a half million pairs of eyes are looking towards Chungking and closely watching the development of events with burning anxiety. They earnestly hope that the Kuomintang will not fail them this time as they did in 1927. And they will not be pardoned if they do!

HENRY C. KWAN

Hanoi, February 8, 1941

FOURTH ARMY

To the Editor:

I want to give our readers some true information about the New Fourth Army from a neutral foreign observer who had visited the New Fourth Army's region himself. Perhaps such information will give a solid recognition of the New Fourth Army to our readers.

Mr. Jack Belden, correspondent of the **Shanghai Evening Post & Mercury**, who had stayed with the New Fourth army for many weeks in 1939, has written a series of articles on the New Fourth Army. In those articles, Belden told of the extraordinary tactics of the New Fourth Army in Guerilla warfare, and its remarkable success in defeating large battalions of Japanese armies with a small number of poorly-equipped soldiers. He also reported of the high political consciousness, fidelity, discipline and good organization of the soldiers.

So the question comes: Why should an Army which has succeeded remarkably in resisting the enemy, which has elevated the people's livelihood in accordance with the principles laid down by Dr. Sun Yat-sen, and which has really helped and protected the people, be ordered to move to the region where the Eighth Route Army is stationed, and why should such an army be "disbanded" on its way of shifting?

Explanations may be many. Official quarters can furnish many well prepared statements. But that the disbandment could not have been "merely a matter of military discipline" is evident. Whereas, on the contrary, it might be primarily a matter of "anti-Communist," which should not have existed during this period of national struggle. For it is obvious, as China's national unity in the form of a united front and a coalition government is the only condition that will make her war of resistance possible,

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"

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internal fricton between the Kuomintang and the Communist Parties must be eliminated.

S. S. S.

Shanghai, March 11, 1941.

AID FOR CHINA

To the Editor:

It is reported that the U.S. Congress has magnanimously passed the Lend and Lease Bill, which the House of Representatives passed on February 8 by vote of 260 to 165 and the Senate on March 8 by vote of 60 to 31. On March 11 President Roosevelt signed the Bill making it law.

America, under the Bill, will supply, manufacture and repair weapons and warships for the democracies, especially Britain, China, and Greece, that are engaging war against the aggressors.

What we, the Chinese people, want America to do may be suggested as the following:

(1) Give China an equal degree of aid as she gives Britain.
(2) Lend as large sums of money to China as she needs.
(3) Supply a great number of planes, cannons and tanks, as well as new weapons to China, so that China can beat Japan when the counter-attack against Japan is started.
(4) Lend a sufficient number of warships to China to break the Japanese blockade on the Chinese coast.
(5) Lend as many as possible American technical experts to China to manufacture chemical weapons and cannons.

If these above-mentioned things are realized, we believe Japan will be beaten by China in a very short time. Then the Pacific Ocean will be calm and peaceful and America will be safe from Japan's menace, for China is the only stablizing force in the Pacific.

Mu Wen-fu.

Chungking, March 15, 1941.

GLAD TO RETURN

To the Editor:

I certainly hated to leave China, but since I had already retired I had no further excuse to remain. But just between us, I'd like to be back there right now. Next to being there is the pleasure of reading **The China Weekly Review**.

R. J.

Virginia, U.S.A.
March 4, 1941.

CONSTRUCTION

To the Editor:

Preparations for the bombing season here does not interfere with construction above ground. New buildings keep on going up, almost like mushrooms and it is all quite amazing. Mud, bamboo, plaster, and weed-straw—and a new house is ready. Add a few nails for the door and window frames, that's all! And the best part, it looks like a million dollars. People in Shanghai who are suffering from rent extortion, should come up and pay us a visit.

H. L.

Chungking, March 18, 1941.

AMERICAN STOCK AND COMMODITY QUOTATIONS

April 3, 1941

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Shanghai $100. equals Rupees	17⅞	18	18	17⅞	17⅞	17⅞
Shanghai $100. equals Pesos	10⅝	10⅝	10⅝	10½	10½	10½
Shanghai $100. equals Hongkong $	21⅜	21⅜	21⅜	21⅜	21⅜	21⅜

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AMERICAN REACTIONS TO JAPAN'S SO-CALLED SOUTHERN ADVANCE

BRITISH observers are of opinion that whether or not Japan embarks in earnest on her so-called "southern expansion movement," depends more upon developments in Moscow than anything else. They believe that Matsuoka's trip to Berlin and Rome is concencerned more with Japanese activities at Moscow, than anything else. They believe that Japan's military clique is now aware of the ultimate and inevitable defeat of their Axis allies in Europe and are taking steps to save themselves by trying to make a deal with the Soviets.

Doubtless the British remember the Japanese strategy which preceded the signing of the Anglo-Japanese Alliances of 1902 and 1905, when the British were led to believe that Japan was also seeking an alliance with Russia or Germany. The British are also aware of the fact that while the Anglo-Japanese Alliance was "defensive" in character and declared that the parties were "entirely uninfluenced by any aggressive tendencies in either country," that it long served as a cloak for Japanese aggression in Asia and ultimately caused so much apprehension in British colonies and the United States, that the Alliance was abrogated at the Washington Arms Limitation Conference in 1922.

The Japanese therefore have a double objective in seeking to make a deal with Moscow: They are looking for a place to land when Nazi Germany and Fascist Italy collapse; and they want to assure themselves of Russia's benevolent neutrality, when they set about gobbling up the rich lands of the South Seas, including Indo-China. Siam, Straits Settlements, Borneo, Netherlands Indies, Burma and ultimately the Philippine Commonwealth. Also, they would not be averse to making a deal with the Soviet Union—if Stalin were agreeable—to divide China's northern territories somewhat in the manner of the German-Russian division of Poland, with Russia taking Sinkiang, Kansu and Outer Mongloia and Japan taking Manchuria, Inner Mongolia and everything north of the Yellow River, leaving Shensi as a buffer-territory between the giants.

The British think that if Matsuoka and the Japanese Army clique succeed in making a "non-aggression" pact in Moscow, that the way will be cleared for an immediate Japanese drive into the South Seas. What will come of Matsuoka's trip cannot be forecasted, but the Italian fiasco undoubtedly has complicated his program and at the same time has made Russia more difficult to handle. If the *Domei* report from Tokyo on April 1 was correct, that Russia has greatly reduced Japanese fishery activities in Russian waters, it may foreshadow Matsuoka's failure to obtain a favorable deal in Moscow.

A prominent Soviet official recently was authority for the statement that Matsuoka "was certain to fail," in his major objective, although he might succeed in improving Japan's trade relations with the Soviet Union, particularly in Siberia.

The Soviet official attributed improved trade relations between the U. S. S. R. and the United States as a chief reason for Japan's probable failure to make a military deal in Moscow. He said that Russia regards the present as an unexcelled opportunity to develop the domestic economy of the Soviet Union and since the United States is the chief source of machinery, necessary for the development of Soviet agriculture and industries, that this element outweighed all others in Soviet foreign policy. He also was of the opinion that

"Breakwater"

New York Times

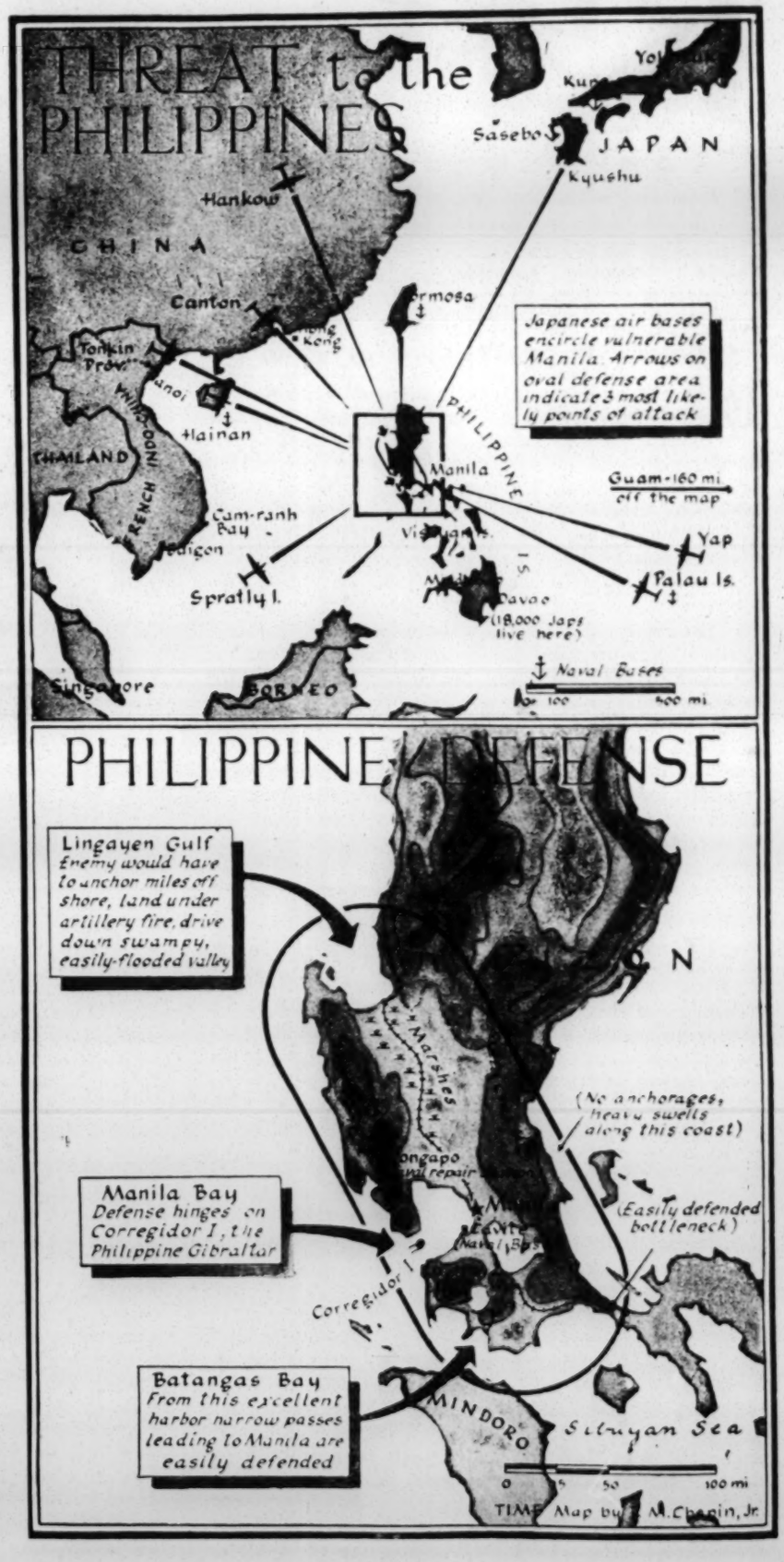
he leaders of the Soviet Union were deeply impressed by Britain's phenomenal victories in Africa, hence were no longer influenced by Nazi propaganda designating the British Empire as decadent. The Soviet spokesman also stated there had been a considerable improvement of Anglo-Soviet relations as a result of developments in the Balkans and the Near East.

A foreigner recently in Tokyo said that it was rumored in the Japanese Capital that the Soviet authorities had proposed conditions for signing a non-aggression pact that had nearly caused an epidemic of apoplexy in Japanese official circles, particularly Army circles. The demands included a practical restoration of Soviet rights of free and uninterrupted transportation on the Chinese-Eastern Railway across North Manchuria with concurrent restoration of Soviet "rights" in Morth Manchuria, that is, in territories north of the C. E. R. It also was reported in Tokyo that Russia had demanded restoration of the southern end of Saghalien Island, which Czarist Russia was forced to surrender following the Russo-Japanese War. Another rumored condition was Japanese recognition of Soviet predominance in Outer Mongolia and a permanent demarcation of border between Mongolia and Manchukuo, with a definite cessation of Japanese advances into Inner Mongolia designed for the purpose of outflanking the Soviet position in Outer-Mongolia.

It was claimed that the Russians were fully aware of Japan's failures in Manchukuo, resulting in large measure from Japan's military defeats in two significant clashes with the military forces of the Soviet Union at Changkuofeng on the Korean-Siberian border and at Nomonhan on the Manchurian-Mongolian border. The so-called Kwantung section of the Japanese Army lost so much prestige in these encounters that the generals believe they must even scores in order to maintain their position in China's northeastern territories.

In this connection there is general recognition that the final say in any dealings which Japan may have with other nations rests with the Japanese Army. Matsuoka's strength heretofore has been due to his service as the willing tool of the Army. but particularly the Kwantung clique in the Army, which was responsible for the tearing up of the Nine-Power Treaty and the initiation of the succeeding reign of anarchy in international relations which has spread over the world. Matsuoka was responsible for walking the Japanese delegation out of the League of Nations, when more than 50 countries of the world expressed their open opposition to Japan's theft of Chinese territory. It would be deserved retribution if Matsuoka, former director of the corrupt South Manchuria Railway Administration, and co-plotter of the Manchurian "incident," should now suffer the traditional fate of the Japanese official who fails to accomplish a mission. It is not unlikely that the Army, whose creature he is, may shortly repudiate him because of international complications for which he largely has been responsilbe.

While the Japanese are determined to take fullest advantage of the embarassment of the European Powers by seizing their Far Eastern territories and obtaining control of the world's richest storehouses of raw materials necessary for industrial self-sufficiency, it must not be overlooked that a primary incentive for the so-called "southern advance," is a desire on the part of Japan's army leaders to defeat Gen. Chiang Kai-shek and eliminate the last vestige of Chinese patriotism, nationalism and culture, which has protection under his banner. The advance into French Indo-China, aside from the opportunity it offered to seize territory and resources, was motivated by a desire to obtain air bases for more effective bombings of Chinese cities still beyond the reach of the Japanese land forces. The Japanese have steadily strengthened their land and naval forces in this area, always with the idea of accomplishing the defeat of Gen. Chiang Kai-shek and the Chinese patriots —including thousands of students— who are associated with him. Thus far the Japanese Navy, whose Admirals do not share the animosities toward the Chinese entertained by the Army authorities, have remained somewhat aloof. But an advance to the South will surely bring the Japanese Navy into a far worse struggle than the Japanese Army has had to contend with in China. It was this danger which inspired the Japanese navy authorities to send Admiral Nomura to Washington, hoping against hope that he might find a way whereby the Navy could sidestep a frontal clash with the American Navy that



probably would prove as disastrous as the recent experiences of Mussolini's Navy at the hands of the British.

Opinions differ as to Japan's future course in the event of an advance south, some thinking that the Japanese warlords may be content to occupy Indo-China and Siam as far south as the Kra Peninsula, the narrow neck of land which connects Thailand (Siam) with the Straits Settlements and Singapore. The likelihood of a Japanese invasion of Burma through either Indo-China or Siam has been ruled out because of the difficult terrain, hence there is a possibility that the Japanese might attempt to seize the Kra Peninsula with the object of militarily cutting off the Straits Settlements and Singapore and ultimately makin the cut an actuality with a canal. But, as indicated in the foregoing, a primary objective of the Japanese Army is to bring about the defeat of Gen. Chiang Kai-shek, hence it is impossible to plot their future course, whether they may actually attempt an invasion of Yunnan or Burma for the purpose of cutting the Burma Road, or whether they may force the Japanese Navy to essay an attack on Singapore and the Netherlands Indies in response to Hitler's urgings.

Another uncertainty, disconcerting to Japan's military and naval strategists, is concerned with the reactions of the United States. Sentiment in America is strongly against participation in the war, but an advance southward by the Japanese would subject American isolationist policies to the severest possible strain. Also, it is difficult to imagine the Japanese advancing southward with major forces, with the United States and Philippine forces on the left flank. One imagines that the attempt of Admiral Nomura to lull the United States into somnolence, will come to nought in the face of a such a situation.

Also, it would be difficult to imagine Japan advancing southward with major forces, without first settling with Hongkong. The British authorities at Hongkong, after sleeping for three years since the outbreak of Sino-Japanese hostilities have now begun to dig and blast holes in the Hongkong hills in the hope of having sufficient shelters of sufficient size to accommodate most of the population that would remain there in the event of an air-bombing. It is said that the Japanese have so many air-bases so near Hongkong that air-raid alarms could never be more than 10 minutes ahead of the Japanese bombers. Possibly the Japanese think they could bomb Hongkong into insensibility and then blockade it, while proceeding with main business further south. But here again, the question: what effect would a Japanese long-drawn-out attack and siege of Hongkong have on American opinion, particularly in view of the recent drawing-together of the British and Americans—including the British South Seas Dominions—in the face of the common danger.

BRITISH COMMANDER MEETS HART

Among numerous straws in the international political winds of the South Seas indicating possible developments, most important was a conference in Manila on April 2 between British Air Marshal Sir Robert Brooke-Popham, Commander-in-Chief of British Far Eastern Forces, and Admiral Thomas C. Hart, Commander-in-Chief of the U. S. Asiatic Fleet. The conference lasted three hours and was held at Cavite, near Manila. The British commander arrived by seaplane from Singapore. Mr. Francis B. Sayre, U. S. High Commissioner, who was at Baguio, went to Manila to participate in the conference, according to *United Press* report from Manila. Sir Robert Brooke-Popham's stop-over in Manila was described as "routine and a courtesy call" as he was enroute to Hongkong, where he was scheduled to meet Sir Archibald Clark Kerr, British Ambassador to China, who departed from Shanghai for Hongkong on Tuesday of this week. The landing of the British flying boat at Manila was the first British aircraft to land in the Philippines since the signing of an agreement permitting American Pan-American planes to land at Singapore. It was reported that the British officer previously had conferred with officials of the Netherlands East Indies.

⁂

The United States shipped US$6,100,000 worth of arms to China in February, according to disclosure of the State Department on April 1. Shipments to the British Commonwealth of Nations, according to the report, amounted to US$31,415,000 in the same period, while export licenses had been issued for arms amounting to US$118,000,000. Shipments to Britain in February included US$11,959,000 for airplanes and US$9,033,000 for airplane engines. Shipments to the Netherlands Indies amounted to US$879,000 of which $347,000 was for war-

Pacific "Gibraltar"

N. Y. Times Map

planes and $238,000 for machine guns and automatic rifles. Thailand bought war materials valued at US$22,000.

⁂

The National Government at Chungking on March 31 published the text of President Roosevelt's reply to the telegram which Generalissimo Chiang Kai-shek had sent the President thanking him for his reference to China in his address following the passage of the Lease-Lend Bill. President Roosevelt's message paid a high tribute to Chinese morale and confidence of the Chinese people despite heavy sacrifices which they had to bear. President Roosevelt declared, "The magnificent stand made by the Chinese people will encourage and strengthen the faith of all free peoples in the world." The President stressed that determination and cooperation of all defenders of freedom and justice would result in these principles triumphing throughout the world.

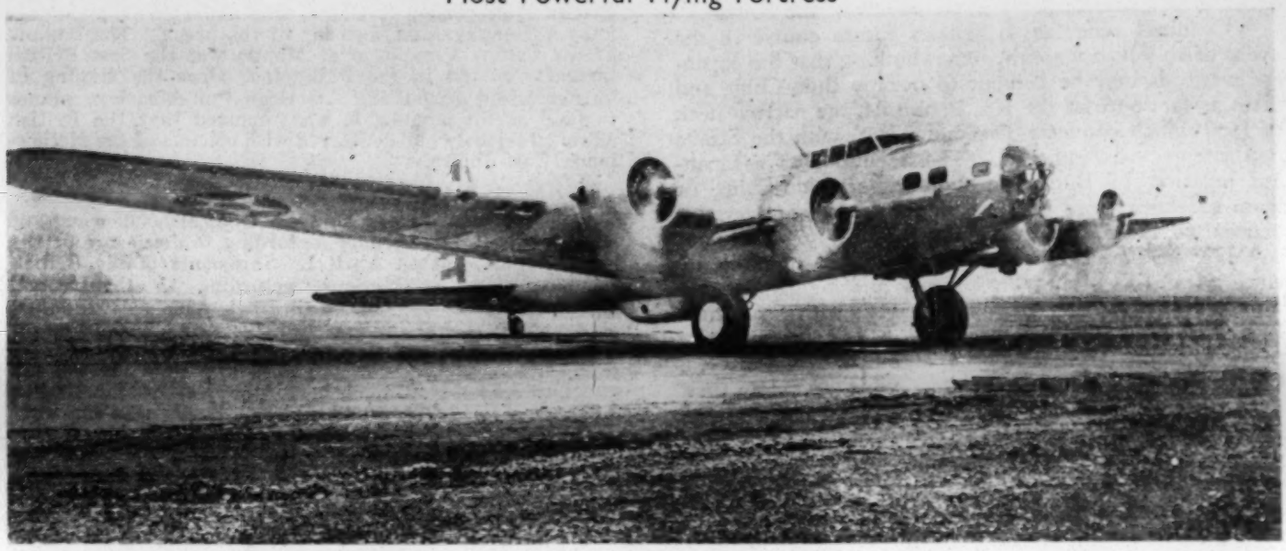
⁂

Admiral Kichisaburo Namura, new Japanese Ambassador to Washington, gave a big dinner-party at the Japanese Embassy on the evening of March 28, for fourteen prominent American naval officers. According to *Domei* there was a "friendly" discussion of Pacific naval affairs at the dinner. Aside from the naval officers, other Japanese officials present included Kaname Wakasugi, Minister and special adviser to the Ambassador; Sadao Iguchi, Counsellor of Embassy, and Capt. Ichiro Yokoyama, Naval Attache. Guests at the function included Admiral Harold R. Stark, Chief of Naval Operations; Rear-Admiral James O. Richardson, former Commander-in-Chief of the United States Fleet; Rear-Admiral Robert L. Ghormley, Assistant to the Chief of Naval Operations, and RearAdmiral Richmond K. Turner, Commander of the cruiser Astoria when that warship carried to Japan the ashes of the late Japanese Ambassador Mr. Hirosi Saito.

⁂

Additional heavy reinforcements of British troops, including units of the British army and Royal Air Force from the United Kingdom arrived at Singapore on March 31 and days following. In addition there were large

Most Powerful Flying Fortress



New model "Flying Fortress," manufactured by the Boeing Company at Seattle, and now being delivered in considerable numbers to the U. S. Army. Others also are being turned out for the British Army as indicated in a report this week that Flying Fortresses are now being delivered in England, from the United States, under their own power, and that this type of plane is capable of crossing the Atlantic with a load of 18-tons of bombs and returning without refueling. The planes are powered by four 1200-horsepower Wright engines and are equipped with cowl flaps, armor plate, leak-proof tanks. They have a speed, "well in excess" of 300 miles an hour. The Flying Fortress shown in the picture is known as a B-17D. Still newer models, carrying further advancements in construction, will be known as B-17E's. This is the first illustration of the new type Flying Fortresses to be received in the Far East.

forces of famous Indian regiments. The personnel of the Royal Air Force included some of Britain's crack fighter pilots. The Army units included artillery, infantry and mechanized contingents. Sir Robert Brooke-Popham, Commander-in-Chief of British Forces in the Far East, announced, "Our greatly increased strength in the Far East is a threat to no one, but on the other hand it is a great stabilizing force and influence for peace. Already India and Australia have sent strong forces to this area, and they are continuing to play a most important part in maintaining the *status quo* in the Far East.

"It is a cause of considerable satisfaction to be able to record that the situation in other theatres of war is so favorable that forces from so far distant as the United Kingdom can not only be spared for service in this area but can be transported safely in spite of the concentrated sea and air campaign waged against our sea communications throughout the world."

Japanese Arrest Missionaries For Distributing Anti-War Prayer

Mission circles in Shanghai reported they had no direct information concerning the arrest of 14 American and British Protestant Missionaries in Korea by the Japanese. The arrests took place on March 26 and were made in various parts of Korea. No definite information as to the denominations involved could be obtained except the names of four members of the Northern Presbyterian Mission.

The Presbyterians, Dr. D. S. Low, Mr. E. Otto de Camp, Miss Alice Butts and Mr. Herbert Boeler, were arrested and their records seized. All the missionaries were charged with calling Japan's "holy and sacred war" in China, a war of aggression and imperialism, and with distributing copies of an anti-war prayer. Specific charges against Dr. Low and Mr. de Camp were that they allegeally tried to force Koreans to remove miniature Shinto Shrines from their homes, which charge were regarded as improbable here.

It was thought that the distribution of an anti-war prayer, which the Japanese militariats complained about, was in connection with the World Day of Prayer, which was Sunday, March 23. Missionary leaders said that they had no knowledge of any particular prayer being distributed and thought it a rather riduculous charge as many prayers contain expressions condemning war and desiring peace.

The names of the British Protestant Missions affected by the arrests could not be ascertained as none of the missions having branches in Korea has a representative in Shanghai. However, Brigadier Bertie Morris, (British) commander of the Salvation Army here, stated that although there are some Army members still in Korea, he did not believe any of them were among those held. All Britons connected with the Salvation Army were forced to deport from Japan several months ago.

In connection with the charge that Dr. Low and Mr. de Camp attempted to force the removal of Shinto Shrines from Koreans homes, it was regarded as significant that one of the standard complaints of missionaries in Korea is that the Japanese interfere with mission schools and try to force the students to worship at Shinto war shrines. On March 28 Sumner Welles, American Under-Secretary of State, declared that he had received no official report of the arrest of the missionaries. However, Merrill Benninghof, Second Secretary of Embassy in Tokyo, said he had brought the matter to the attention of the Japanese Foreign Office.

Several months ago an American woman nurse, employed in a mission hospital in Korea was arrested in Yokohama, only a few minutes before the sailing of her ship upon which she was departing for the United States on leave, on a charge of spreading "communist" doctrines among students in Korea. She was removed from the ship and secretly taken back to Korea by Japanese gendarmes, who made no move to inform the American authorities. The nurse was released, however, after a hearing in a Seoul court when it was brought out that the communist charge against her had been made by an employe of the hospital who held a grudge against her.

None of the reports regarding interference with American missionaries in Japan have mentioned the most significant element in the Korean situation that the Commander-in-Chief of the Japanese Army in Korea is Gen. Jiro Minami, who was one of the chief plotters of the seizure of the Chinese Manchurian provinces and who has been credited by many observers as the chief power behind the Japanese adventure on the continent and the ultimate Japanese plan to invade Siberia.

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HOW ANTI-WAR PRAYER ORIGINATED

The Rev. C. L. Boynton, Secretary of the National Christian Council, released a statement early this week which disclosed a possible reason for the wholesale arrests of American and British missionaries in Korea. Mr. Boynton's statement referred to a conference scheduled to be held in San Francisco late in March, wherein American

missionaries and Japanese Christians from Japan and leading Churchmen of the United States would confer on plans to improve Japanese-American relations. It also was proposed to issue an "anti-war" prayer in connection with the meeting.

Mr. Boynton said that a committee representing the Federal Council of Churches of Christ in America and the Foreign Missions Conference in North America, had been appointed to meet a delegation of missionaries and Japanese Christians sent to the United States. The Committee included, Dr. J. W. Decker, Dr. Lumen Shafer, Dr. E. M. North and Dr. A. L. Warnshuis. The statement said that the Japan Christian Council recently had cabled Federal Council of Churches suggesting that American Christians join with Japanese Christians in a prayer "advocating world peace and continued amicable relations between Japan and U. S. A." The Federal Council then recommended that a "joint call for prayer be addressed to the Christians of America for peace about the Pacific based on reconciliation, mutual understanding and justice."

"Since the delegation of American missionaries and Japanese Christians was scheduled to reach the U. S. West Coast late in March, it was thought that the circulation of the "peace prayer" probably was the cause of the arrest of the American and British missionaries in Korea on March 26. The delegation from Japan was met by a special committee of the Federal Council in San Francisco where a conference of the two groups was held. It also was reported that missionaries and Japanese Christians, who previously had opposed the sending of a delegation of American churchmen to Japan, recently had changed their minds and had decided to issue an invitation. Cables on the subject were exchanged late in February, stated the report.

Is "Lord Haw-Haw" a Renegade American?

The magazine *Newsweek* (New York) Feb. 17, published an expose of German Nazi broadcasting activities at Shanghai, which should prove both interesting and illuminating for Americans and Chinese and also for other nationalities here. The item in *Newsweek* was as follows :—

Nazi 'Radio Shanghai'

As yet unpublicized has been the recent use of Shanghai as a proving ground for German radio propaganda. The Nazis have inaugurated there a program in English called "Mack and Bill," modeled after the Berlin programs of "Fritz and Fred," "Jimmy and Johnny," etc. First broadcast over a neutral station, it has since been shifted to the German station there. Participants in "Mack and Bill" are Charles L. Flick, a former Rhode Islander reputed to be the first American in this war to adopt German citizenship, and a New York Chinese-American named Herbert Moy. The Germans now plan establishing a huge new station in Shanghai to compete with the powerful British station in Singapore and to blanket the Far East with propaganda in several languages.

The Nazi broadcast is disseminated in two nightly doses, one by an alleged American at 7:15 p.m. and the other by an American-born Chinese named Herbert Moy, at 8:30 p.m. Both commentaries are given in American English interspersed with American slang and occasional indecent and obscene expressions. On several occasions *The Review* has referred to the "Lord Haw-Haw" broadcasts, one of which three weeks ago, following the passage of the Lend-Lease Bill, referred to President Franklin D. Roosevelt as being "deranged mentally and idiotic." A few days following publication of the Nazi broadcaster's statement, Lord Haw-Haw devoted his entire period to a denunciation of *The China Weekly Review* on the ground that it was "pro-British." He denied that his statement that the American Chief Executive was "mentally deranged and idiotic" had come from a German source and alleged that the expression, which he had repeated with full approval, had originated with a prominent Briton, who previously served as financial adviser to the British Embassy in China—an allegation which British officials in China denounced as "silly and puerile," and undeserving of notice. Lord Haw-Haw's denunciation of *The Review* as a "pro-British" journal also brought smiles in this international community because it had not been many weeks since the Nazi commentator had been repeating statements published in *The Review* as quite correct and authoritative and deserving of his unqualified approbation as compared with the "biased" reports published in the British newspapers, particularly the *North-China Daily News*.

However, Lord Haw-Haw's radio commentary as well as that of his Chinese stooge, Herbert Moy, have become increasingly bitter since the passage of the Lend-Lease Bill, which, incidentally "would never pass the Senate," according to the Nazi spokesman. But now that it has been enacted into law, Lord Haw-Haw has devoted most of his oratory to denunciations of President Roosevelt, whom he now designates as the "greatest war-monger of the ages," who is only concerned with prolonging the war "for the benefit of American industrialists, particularly the U. S. Steel Corporation and Standard Oil." On Tuesday evening of this week, the Nazi spokesman again denounced the American Executive as a "war-monger," and, referring to the seizure of German, Italian and Danish shipping in American ports, declared that this action "would only have the effect of prolonging the war for a few weeks as the outcome—a German victory—was inevitable." He concluded with the charge that Roosevelt was "double-crossing" the American people "who would be called upon to face the perils of a Nazi-controlled world."

Unconsciously the Nazi spokesman, in making this statement, voiced the chief argument which proponents of the Lend-Lease Bill had used in advocating its passage in Congress, namely that the passage of the measure would enable Britain to defeat the Hitler machine and thus eliminate the dangers which would face Americans in the event of a British defeat!

The Nazi spokesman also on occasion has broadcast the charge that Roosevelt's chief object was to prolong the war "so as to encompass the dismemberment of the British Empire and thus enable the United States to participate in the scramble for the parts thereof." He pointed to the Anglo-American destroyer-naval base deal as evidence of the early demise of the world-encircling Empire and concluded with the query, "But are the Americans prepared to face the music (Nazi victory) after the war?"

As indicated in the previous reference to the Nazi broadcast, the Nazi radio station is located in the grounds of the local German school, church and assembly hall. It is at the corner of Avenue Haig and Great Western Road (No. 3 Great Western Road), with two entrances, one on Avenue Haig and the other on Great Western. The property adjoins the so-called "Six Nations Gambling House," operated by Wang Ching-wei interests and is technically outside the International Settlement and under the jurisdiction of the Japanese Army and the local puppet municipality.

Whether the American who is connected with the Station is named "Charles L. Flick" as stated in the Newsweek article is not known, but it is known that a mysterious American resides on or near the premises of the Nazi station and is said to seldom venture out and is claimed to have no American acquaintances or connections.

Some time ago when the Nazi broadcaster was maligning Britons with occasional side-thrusts at Americans, an American asked a British official, "why they didn't do something about it?" The Briton replies: "We have listened to the Nazi broadcaster and have reached the conclusion that he is not doing us any harm, and we are sure that his insults directed at President Roosevelt and American institutions will hasten America's entrance into the war."

However, it should be stated that there is some apprehension in American circles that the Nazi broadcast, combined with the anti-American propaganda disseminated in the interior by the propaganda department of the Wang Ching-wei regime, might ultimately cause anti-American sentiment to develop among ignorant elements in the populace, which would endanger the lives of Americans residing in isolated communities.

MATSUOKA'S TRIP ILL-TIMED AS AXIS TAKES SETBACKS

The bands were out, the flags were flying, dignitaries were on the scene and thousands cheered for Yosuke Matsuoka, Japan's Foreign Minister, as he paraded through Germany last week and Italy early this week, but there was a hollowness to the whole show. Matsuoka had probably picked the most ill-starred weeks since the war started to make his junket to Europe.

Even as Matsuoka entered Italy reports were reaching the ears of Mussolini of the downfall of Asmara, Eritrea's capital, after a week of defeats which had seen the capitulation of hundreds of square miles of African territory to the British and the loss of many warships. Matsuoka's sojourn in Germany brought with it the

"Japanese Mediation"

Chicago Daily News

disruption between Germany and Yugoslavia, announcement of strengthening of the Allied hand in the Balkans and increasingly effective Royal Air Force raids on German and German-occupied lands.

Meanwhile, to add to Axis discomfort, the United States pressed defense work and seized Axis ships in American harbors, even as far away as Manila. Matsuoka's visit to Moscow before he arrived at Berlin also appeared to have netted Japan nothing or less—Japanese reports said Japan had lost to Russia further fishery lots in Siberian waters and the official Moscow radio, while discussing at length on the passage of the lend-lease bill and the Yugoslavian developments, made no mention of the Japanese Foreign Minister's travels.

Matsuoka saw Hitler, von Ribbentrop, Goering and many other German leaders and Mussolini, the King, Ciano and others in Italy, in addition to scores of Japanese diplomats and businessmen in Europe. But evidently he accomplished nothing of a concrete nature. Despite the fact that they covered his activities in a minute-by-minute fashion, neither *Domei*, the Japanese news service, nor *Transocean*, its German counterpart, could make a positive statement of tangible results. Hand-shaking and back-slapping seemed to have been the order of the day.

With German and Italy more imperilled now than at any time past in Europe and Africa, it appeared that they could offer little to the little man from the Orient. Meanwhile, with America arming at break-neck speed, with China's Republican forces stronger than ever, and with some countries in the South Seas showing a greater belligerence than previously against Japan's southward push dreams, Japan apparently could offer little to its allies in Europe—save perhaps to tie up the U.S. and part of the British forces in the Far East.

The first main topic of conversation at Berlin, informed sources told the *United Press*, probably included Germany's promise of vast territorial gains.

Secondly, the well-informed quarters added, Mr. Matsuoka tried to enlist German influence with Moscow to improve the chances of a Russo-Japanese non-aggression pact and, by easing Tokyo's anxieties over Russian moves, further increase the temptation of Japan's drive to the southern Pacific.

Thirdly, they believed, Chanceller Hitler may have offered to renew Germany's unsuccessful 1937 mediation services with the view toward settling the Sino-Japanese hostilities.

Mussolini and Matsuoka, discussed action Japan would take if the United States and Yugoslavia became involved in the European conflict, reliable sources told the *United Press*. Japan's action, it was said, would be along economic as well as military and naval lines. The discussions, and Japan's role, especially envisaged Africa, which loomed increasingly important in the general background of the talks, it was said.

CONSULAR AGENTS AGREE TO S.M.C. REALIGNMENT

G. Godfrey Phillips, Secretary and Commissioner-General of the Shanghai Municipal Council, announced this week that he had been authorized to state that American, Japanese and British consular representatives had agreed informally to a realignment of the S.M.C. This announcement followed reports last week that British and Japanese leaders had been negotiating between themselves for a change in the S.M.C. lineup.

"The Consular representatives of the three Powers mentioned have authorised me to state that they have agreed among themselves to rcommend to their colleagues and the Chinese Government that for a limited period the Council should consist of four Chinese, three Japanese, three British, three Americans and one German member together with two members of other nationalities," Phillips' report said. "It is confidently hoped that this agreement will receive public support.

"It has been felt by many that to hold an election with all its possibilities of controversy and excitement would not at the present time be in the best interests of the Settlement. An effort has accordingly been made to make unnecessary the holding of an election and to broaden the basis of representation on the Council. With this object in view conversations have for some time past been going on between the Consular representatives of the three Powers with the largest interests in the Settlement, viz: Great Britain, Japan and the United States of America.

"Furthermore, it must have been apparent to all who have taken an intelligent interest in the affairs of the Settlement that the time has gone by when a city of this size can properly be governed by a ratepayers' meeting which has to be held in the open-air and is attended by thousands of ratepayers of different nationalities and different languages. A procedure based on the parish meeting of a small English township is not adapted to one of the largest cities of the world with a cosmopolitan population.

"I am not at this time authorized to say more, but I am allowed to say that every effort will be made in the immediate future, by the three Consuls-General referred to, to secure all the necessary consents to render legal and constitutional the agreement which they have reached between themselves and to provide us with temporary machinery which will broaden the basis of our system of government and reduce, as far as it is possible, occasions for misunderstanding between various nationals."

The new alignment probably would throw control of the Council into the hands of the Axis. The Council at present, with five British and Chinese and two Japanese and American members clearly is controlled by the Allied front. But with three Japanese and one German member, plus Chinese members who might conceivably be controlled through pressure and representatives of two other nationalities subject to control, the Axis apparently could grasp the power in Shanghai.

Japanese Appear Less Successful than Germans in Exploitation of Occupied Areas

BY JOHN AHLERS

A comparative study of German and Japanese methods and results of economic exploitation of alien territory occupied, or otherwise forced into a state of dependence, will have to be written after the termination of the present wars in Europe and the Far East. It will provide an important contribution toward a solution of the problem of whether or not, or to what extent, war of conquest can be made to pay. Neither Germany nor Japan in this field thus far seem to have demonstrated all they may be capable of, and both still may have in store a series of innovations. They may develop and consolidate their methods; they may learn from each other's experiences; and the one may adopt some of the more successful methods of the other. Current Japanese economic demands in French Indo-China, and proposals in the Netherlands Indies, are closely imitating lines along which Germany uses with European minors and dependants. Yet in China, despite surface similarities, Japanese methods remain widely different from and far less successful than German economic and financial methods in occupied and "coordinated" territory.

Although Germany claims to promote an entirely new economic order, in most of the alien territory directly or indirectly under her control she so far has refrained from completely upsetting the structure and fabric of the economic body, except for discrimination against Jewish property. She endeavors to make the existing economic structure suit her purposes, and especially her war requirements. The Japanese, on the other hand, from the very start of their march of conquest in China, systematically tried to annihilate the economic fabric encountered as well as its leading personnel, and to completely replace both with new apparatus and men. Compare Manchuria and Czechoslovakia, both of whom were overrun suddenly in much the same way, and you will see the point. In Poland only, Germany seems willing to apply the Manchurian procedure.

Another striking difference between German and Japanese methods is that, in the case of Germany, the fighting forces primarily have to fight while the Reich's civilian leaders organize the economic exploitation of new spheres of power. In occupied enemy territory, it is the Reich's civil governors who write the laws to industry, finance and trade. As regards the minor Axis adherents in Central Europe and the Balkans, it is again Berlin which regulates economic relations. There is no parallel in the German sphere of power for the Japanese Army's independent and autocratic proceedings in economic and financial affairs in occupied China upon which the Tokyo Government exercizes but an entirely nominal influence. No German army command did, or ever attempted to, carve out of occupied territory its peculiar sphere of power and exploitation for large-scale levying of direct tribute and contributions, or for the circulation of its own currency.

The preferred German method of securing supplies from occupied enemy territory is to purchase such supplies; and this not necessarily at arbitrarily low rices. The funds to finance these supply purchases are being raised most frequently in form of loans or special credits secured from the legitimate currency issue banks of German-occupied countries. Such have been the proceedings in France, the Netherlands, Belgium and Czechoslovakia. This method, too, of course, leaves the occupied territory holding the bag, but does not rob or ruin the individual supplier. It substitutes for goods obtained the supplying country's own paper currency. This is what Japan now tries to put over on French Indo-China. In China proper, however, the Japanese never have been able to do so, chiefly because their military success remains doubtful, Chinese resistance is not broken and the invader cannot coerce the Chinese Government banks. Therefore, the Japanese employ outright confiscation, or veiled confiscation at ridiculously

Priests In Uniforms

The Japanese have put their Buddhist priests in military-style uniforms—witness this picture taken in a Tokyo temple, showing Buddhist priests in the new national Uniform. Chicago DN photo.

low prices, or the direct and indirect issue of illegitimate military and puppet currency without any backing except that of the points of their bayonets.

In economic relations with the minor Axis partners, Germany works the barter principle. Her barter arrangements with Central European and Balkan countries long ago ceased to be just plain barter upon a reciprocal basis. Her military and political power today secure her from every European Continental Government friendly to her price and exchange rate valuations as well as terms of credit and delivery all in favor of Berlin, and little advantageous to the other party. All the European minors accumulate increasing credits outstanding in Berlin, which at the present time they have but little hope of seeing paid in either cash or kind. Again, these arrangements are far different from the economic and financial conditions which Japan imposes upon her puppet regimes in Changchun, Kalgan, Nanking and Peiping. An arrangement of this sort Tokyo for half a year past has tried to impose upon the Netherlands Indies, overlooking, however, the fundamental fact that the Netherlands' colonies are not within her sphere of military and naval power.

All in all, both Germany and Japan endeavor and managed to extract from their spheres of power outside their own territories all the supplies and other economic and financial advantages they possibly can extract. Yet the German methods to this effect are far more subtle, as well as far better planned, unified and executed than the Japanese methods. The German system of exploiting alien territory more successfully managed to avoid killing geese supposed to lay golden eggs, and is far less wasteful than the Japanese system. As a result, the stream to Germany of supplies from occupied or dominated alien territory is far bigger and far more valuable than that to Japan from occupied China, and so is the balance in favor of Germany between the imports from and exports to the territories in question, both absolutely and comparatively, i.e., when taking into account Europe's higher state of economic development as compared with China.

Several recent articles in American publications attempted to estimate the total value of supplies, services and cash which Germany manages to secure from occupied and allied territories. These estimates are rather vague and must remain, for the time being, a matter of conjecture. Yet there is no doubt that Germany in this way does not manage to make her alien sphere of power pay her war cost, nor her current war expenditure, nor even the upkeep of those of her fighting forces which control these territories. There can be no doubt that the mere upkeep of those forces continuously costs Germany considerably more than the aggregate of the economic and financial advantages she secures in occupied and allied countries. Among the chief reasons for which those countries were unable to confront Germany with a military machine equalling the German fighting force is the simple, though frequently overlooked, reason that they cannot economically afford the upkeep of as powerful and expensive a military apparatus.

Japan finds herself still less in a position to make her China conquests pay. Manchuria year after year swallows more Japanese funds and goods than the Northeastern Provinces yield to Japan. In China proper, the Japanese armies everywhere have to fight for their maintenance. Japan appropriates the Chinese Maritime Customs funds but spends most of this money upon loans and credits to her military and puppet regimes over here. The numerous and substantial revenues which the Japanese fighting forces directly exact from occupied China are to the Japanese military mere pocket money. The ordinary flow of funds and goods from Japan to occupied China remains bigger than the flow in the opposite direction. And on top of it all, the Tokyo Government has to finance its China war with an annual Yen 6,000,000,000, raised from the people of Japan proper. But her military will never admit that their war failed to prove either a paying proposition, or at least an enterprise paying its own way. While they yell for ever-increased military expenditure, they appeal to civilians' patriotism to overlook the disastrous financial aspect of their ill-calculated venture.

Chiang Ching-kuo Administering 11-Point Plan For Development of Kiangsi Area

BY HU CHANG

(This is the second of a series of two articles on the work of General Chiang Ching-kuo, the Generalissimo's son, in his administration of the Kiangsi Fourth Administrative area.)

General Chiang Ching-kuo, Generalissimo Chiang Kai-shek's oldest son, in June, 1939, became Administrative Supervisor for the Kiangsi Fourth Administrative Area and immediately began an energetic program for development of the region.

General Chiang has drawn up, in connection with leaders in the Fourth Administrative Area, an 11-point program for a three-year plan of development. The writer last week discussed the first three planks of the program, agriculture, forestry and industry. The remainder are discussed in the following paragraphs.

(4) Commerce

In regard to commerce, with a view to equalization of commodity prices and prevention of monopoly on the part of merchants, Public Sales Shops should be first opened by the Administrative Supervisor. Such daily necessities as rice, salt, oil, etc., should be sold by these shops at equalized prices. In the first year a Head Public Sales Shop should be established in Kanhsien at a capital of $500,000 with branch shops at Tayu, Hsinfeng, Nankang and Lungnan, four hsien districts each with a capital of $150,000. In the second year the capital of the Head Public Sales Shop should be increased to $800,000 and branch shops should be established at Shangyu, Chungyi, Anyuan, Chiennan, Tingnan and Hsunwu, six hsien districts. In the third year the capital of the Head Public Sales Shop should be increased to $1,000,0000 and sixty branch shops should be established in various villages and towns.

Establishment of Business Men's Training Classes: Not having been properly trained, the old-styled business men do not possess much knowledge and lack a comprehension regarding politics. As a result they are looked down upon by the society. According to the three year plan in the first year Business Men's Political Training Classes should be opened in Kanhsien for the purpose of training the proprietors and employees of various shops with some political and commercial knowledge. After training, not only their commercial knowledge has been enhanced and their spirit in serving their country and compatriots developed but also they have been imbued with a nationalism. In the second year such classes should be also opened in Hsinfeng, Nankang, Tayu and Lungnan, four hsien districts and in various other hsien districts according to their requirements. Besides, such matters as the equalization of commodity prices and the investigation and prevention of monopoly on the part of merchants and hoarders should be included in the routine work.

(5) Mining

Mines are rich in Kannan and there are not less than 10,000 miners. In order to develop mining, the livelihood of the miners should be first of all improved. According to the three-year plan, in the first year a Miners' Welfare Association should be formed. Branch associations should also be established in various mining areas and cooperation with the Tungsten and Tin Controlling Organizations should be maintained to carry out such welfare affairs of the miners as the replacement of health equipment of mining areas and the construction of miners' quarters, dining rooms, bath rooms, cooperatives and clubs.

In addition, relief work should be undertaken and education should be developed in various mining areas. At the outset of the third year, all government-owned mines should employ modern methods, while technical men and modern machinery should be unreservedly supplied to all private owned mines so as to enable them to use modern methods.

"Look Out Below"

N. Y. World-Telegram

(6) Communications

Kannan is mountainous and communications are not convenient. Consequently, both economics and civilization are much behind the times. The development of communications in Kannan has therefore an important bearing upon the economical and cultural reconstruction. According to the three-year plan, such light and easy work as the repairing of damaged roads and bridges should be first undertaken. With the exception of highways which should be repaired from time to time by the Highway Maintenance Corps of the Kiangsi Highway Administration, the roads and bridges of various hsien districts should be repaired section by section by the Road-Bridge Repairing Corps, composed of able-bodied youths of of each Pao.

Completion of Telephone Connection Nets: In the first year all telephone lines should be repaired and a fixed date should be set for a general trial to see whether they are serviceable and audible. In the second year, 60 of the Hsiang and Cheng where there are no telephones should be connected by telephones and in the third year the installation of telephones for the remaining fifty-three of the Hsiang and Cheng where there are no telephones should be completed.

Construction of Roads between Chu, Hsiang and Cheng: In the second year roads of three metres wide should be constructed between Chu and in the third year roads of two metres wide should be contructed between Hsiang and Cheng.

Completion of Highway Connection Nets: The majority of the principal towns of various hsien districts in Kannan are connected by highways. Although there are water routes connecting the various hsien districts of the Fourth Administrative Area, the rapid up-stream of the river renders navigation very tedious. The construction of further highways is therefore imperative and a program has been mapped out. A total length of 509 kilometers of highways should be built in three years.

Development of Water Transportation: On the upper part of the Kan River both the Chang River and the Kung River originate from Kannan. Level-bottomed junks are navigable

in the Chi and Hsinfeng two rivers. At the outset of the second year credits would be extended for construction of junks in Kanhsien, Nankang, Hsinfeng and Lungnan, four hsien districts, the number of these junks to be constructed in Kanhsien being provisionally fixed at 40. Nankang, Hsinfeng and Lungnan should each construct 20. The required expenditure should be raised by the local Chamber of Commerce and refunded by instalments.

(7) Education

With the fall of Nanchang, provincial capital, a number of schools were removed to various localities of Kannan and there are more students than previously. As a result there is a remarkable development of education in Kannan. There is, however, an abnormal phenomenon. For instance, there are seven middle schools in Kanhsien while there is none in Shangyu, Chungyi, Tingnan and Hsunwu. According to the three-year plan, in the first year preparations should be made by the six hsien districts of the Fourth Administrative Area, where no middle schools have been established. In the second year, each hsien district should establish a middle school and in the third year, a senior class should be added to the schools which have achieved best records.

Establishment of Vocational Schools: According to the three year plan all kinds of applied vocational schools should be opened. The subjects should include agriculture, gardening, elementary chemistry, elementary mechanical engineering, printing, spinning and weaving, sugar-refining, paper-manufacturing, civil engineering, survaying, bookkeeping, accounting and a common commercial course. In the second year an agricultural, commercial or industrial vocational school should each be established in Kanhsien.

Elimination of illiteracy: In the Fourth Administrative Area there are 692,530 unschooled children and adults. According to the provisional procedure regarding compulsory education promulgated by the Ministry of Education, all illiterate children and adults should be compelled to be educated for three vears, the minimum number of illiterates to be eliminated in the first and second years being 200,000 in each year.

Establishment of Libraries: In the first year each hsien district should have a library with 10,000 volumes of books. In the second year each Chu should have a reading room and in the third year each Hsiang and Cheng should have a reading room.

Supplementary Education for Government Employees: All officers-in-charge of Government Offices should from time to time lead their subordinates to utilize leisure moments for reading and studying purposes and night schools should be established for them.

(8) Culture

Surrounded by mountains and having had little contact with the outside world in pre-war time, civilization in Kannan undeniably lags much behind. The reconstruction of a New Kannan depends upon the personal efforts and self-consciousness of the masses. The elevation of the intellectual level of the masses and a general extension of cultural work for the purpose of wiping out of feudalistic ideas and expediting social progress are prerequisite to reconstruction. According to the three year plan while, each hsien district should have a daily newspaper and printing and book shops, a Fourth Area Mass Reading Compilation Commission should be immediately established for the purpose of compiling and printing mass reading matters which will promote education and reform customs and also revise folk-songs and old plays. A small radio should be installed at the seat of guilds of Hsiang and Cheng, where the population is dense, for the purpose of broadcasting daily news. In the third year, funds should be raised for the purchase of a cinema motor car for the purpose of circulating through each hsien district with educational films.

(9) Sanitation

According to the three-year plan, with regard to sanitation, emphasis is laid upon the prevention of contagious diseases. Every step that will promote health will be taken and in the first year every possible endeavour will be made to expand and ameliorate the Chung Hsin Health Hospital and the health Hospital of each hsien district. A large number of health officers should be trained and health stations established. In the first year, 20 sub-stations should be established and 30 should be added in the second year and 50 in the third year. Tubercolosis sanatoriums and leprosy asylums should be also established.

Scientific methods will be encoursged in childbirth. Compulsory vaccination and anti-plague injections will be enforced. Chinese physicians are to be trained. Health circuit corps will be organized and propaganda regarding universal sanitation will be conducted from time to time by each hsien district. Special attention should be paid to food and the cleanliness of each house, street, drain, water well and lavatory is to be invariably maintained. The construction and designs of civil buildings should be improved. May 5 is prescribed as the Health Day on which a mass health competition for the whole area should be held and July 6 as the Clean Day on which a mass clean competition for the whole area should be held.

(10) Relief

As regards relief, it is necessary to train the beneficiaries with a means of living so that the fund may not be expended for nothing. According to the three-year plan, the relief asylums of various hsien districts should be gradually expanded and improved. Factories for the unemployed, schools for refugee and destitute children, nurseries and factories for women, refugees and disabled soldiers are to be established. The construction of Common People's Villages should be also undertaken for the purpose of leasing them to the common people at the lowest rent. All relief measures should be adopted and except old, weak, disabled and invalid men and women who cannot work all people should be sent to factories to work.

(11) Politics

The aims of a political reconstruction are to enhance discipline, eliminate official corruption, promote a spirit of service, enforce scientific administration, awaken the masses, utilize their power, replenish village economy and expedite local autonomy. According to the three-year plan, the taking of a census, the measurement of land, tightening the organizations of the masses and their snpervisory work and the training of junior officers are to be gradually enforced.

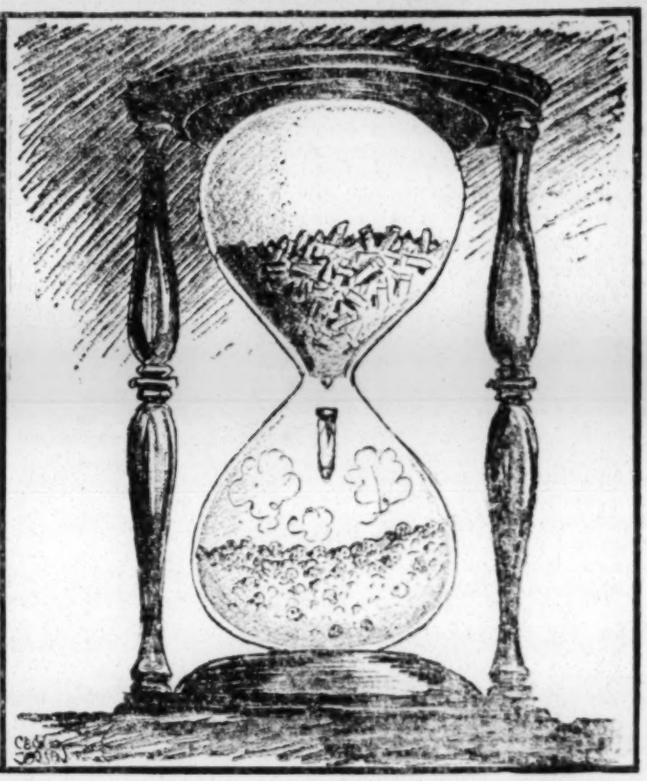
"Another Passenger?"

Ott in the Glasgow Record

"Ready When it Comes"

New York Post

"Race Against Time"



Chicago Daily News

"Unbeatable Combination"

"Ringing In The New"

The Chicago Daily News

A VOICE: "If Any Man Can Show Just Cause Why They May Not Lawfully Be Joined Together, Let Him Now Speak or Else Hereafter for Ever Hold His Peace."

New York Daily News

"No Time For Inspection"

Son: "You don't often see those Junkers 86K twin-engined jobs nowadays, do you Pop?"

"Dollarless Loans"

Melbourne (Australia) Argus

"New Paris Designer"

The Detroit News.

Chinese Armies Claim Successes in Kiangsi; Japanese Stage Another Landing

Chinese troops this week finally dealt a knockout blow against Japanese intruders in the fortnight-old Kiangsi warfare, Chinese sources reported. The Chinese also claimed they made important gains in the successive recaptures of Kaoan, Shankao and Fengsin, the wholesale rout of the Japanese Oga divison and Ikeda brigade and the dealing of 20,000 Japanese casualties. They also claimed to have scored another major victory in the Kangsu-Chekiang was zone by reoccupying a number of strategic points after a furious counter-offensive.

According to Chinese reports, the Japanese in North Kiangsi launched a drive westward on March 15 in three columns, one of which crossed the Kin River and moved southward in the direction of Tucheng, while two other columns from Fengsin and Nanchang advanced in the direction of Kaoan. Areas north-east of Shangkao, south-west of Kaoan and also along both banks of the Kin River were thus made the main theaters of war.

In the course of intensive Japanese attacks, the Chinese withdrew from Kaoan and certain points "in order to remain free to attack." Starting from March 22, however, crack Chinese units launched a furious counter-assault and by March 28 had virturally wiped out the Oga division and the Ikeda brigade as well as another division which previously had been defeated, according to the Chinese communique.

Shangkao, south-west of Nanchang, provincial capital of Kiangsi, was first claimed to have been recaptured by the Chinese on March 25 after it had been temporarily lost on the previous day. In the assualt against Shangkao, the Chinese claimed to have re-occupied Chwankiang, Tucheng, Kukiang, Hwifow and Shangfu, all strategic points along or near the Kin river. The Japanese admimtted their "evacuation" from Shangkao and claimed that they had copied the Chinese scorched earth policy while abandoning the city.

Chinese troops, meanwhile, launched a determined attack on Kaoan on March 25, entering the city the same night, claimed the Chinese reports. Inside the city of Kaoan the Japanese left behind 2.000 dead, while total Japanese casualties in the fortnight's battle were estimated at approximately 20,000 killed and wounded. The Chinese military spokesman, quoting Japanese prisoners, said that the leader of the Oga division was killed in action and a field commander was seriously wounded. The prisoners, said the spokesman, also said they had heard unconfirmed reports that the leader of the Ikeda brigade was also killed.

Fengsin, the strategically important town 40 miles south-west of Nanchang, was recaptured by the Chinese on March 29, following a successful Chinese counter-attack, claimed a Chinese field dispatch. Chungking also announced officially on March 31 that the fighting in Kiangsi Province was now nearing conclusion, following the Chinese recapture of Fengsin. Meanwhile, Chinese field despatches claimed that only a small detachment of Japanese troops remained in the area northwest of Kwangchiao, and they were reported to be completely surrounded. Japanese troops around the vicinity of Kaoan were reported to have been entirely wiped out.

A Japanese offensive in Kiangsu-Chekiang border was also believed to have been thwarted last week as the Japanese general withdrawal from the area was reported on March. 25. A week of hard fighting resulted in the Chinese recapture of Szean and Linchengkiao in North Chekiang, and Liyang, Changchucheng and Hoki in Southern Kiangsu. The Japanese were said to have sustained more than 3,000 casualties. Meanwhile, a Japanese transport, laden with arms, ammunition and food provisions as well as troops, was sunk by mines laid near Siangkow on the southern bank of the Yangtze River in southern Anhwei on March 26, reported **Kuo Min** from Tunki.

Another Japanese landing was reported last week by **Reuters** from Canton. The dispatch said that Japanese South China forces on March 28 staged another landing on the shores of Kitchioh Bay, 150 kilometers north-east of Hongkong. The landing troops claimed subsequently to have occupied Lukfung, described by the Japanese as a major Chinese transport center.

Japanese Landings

A previous **Domei** report from Swabue also claimed that Japanese forces which landed at Henghai Bay occupied Haifung on March 24. This was described as the pivotal transportation center straddling the Waiyeung-Chaoan Highway.

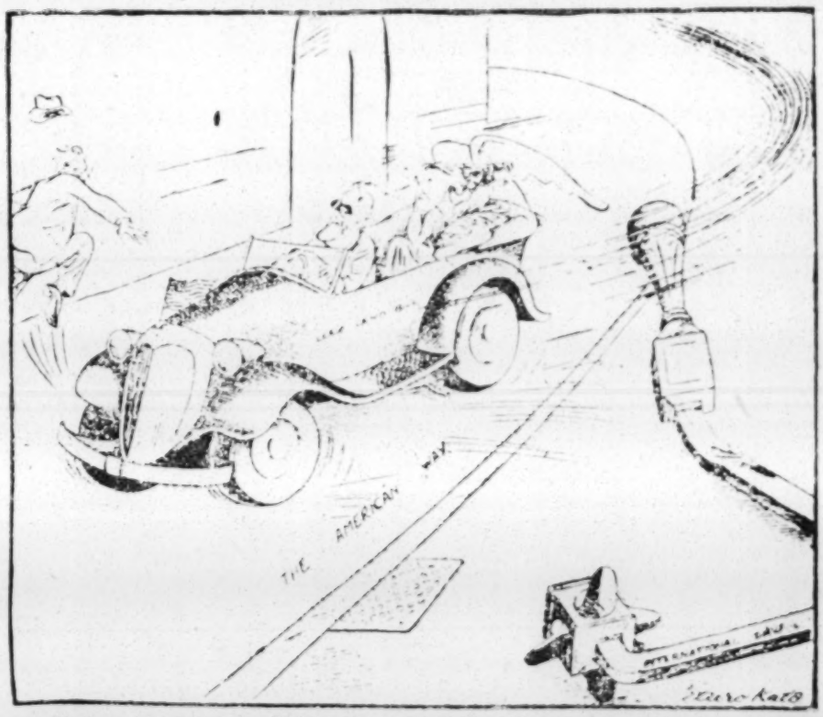
No important Japanese bombing raids were reported in the week. **Kuo Min** reported from Chungking that a drive for public contributions for construction of more air-raid shelters in the auxiliary capital has been launched by the Air Defence Committee.

A Chinese Glider Association was organized in Chungking this week under the chairmanship of Generalissimo Chiang Kai-shek. The Association will have three Vice-Presidents, these being Chen Li-fu, the Minister of Education, Chow Tse-chow, Secretary-General to the Aeronautical Commission, and General Chang Chi-chung, Minister in the Political Training Board of the Kuomintang. The Chinese Government has created in Szechuan Province a special training class for glider pilots and established a plant for manufacturing gliders.

The Nanking Military Commission this week held what the **Domei** described as the first National Military Conference. Wang Ching-wei, the puppet leader, led the "conference," which was reported to have discussed coordination of the fighting forces and peace reconstruction. Establishment of military aviation schools and the construction of airdromes were also reported to have been included in the discussion.

In an editorial entitled "A Word to the National Military Conference" the **Kuo Min Hsin Wen**, pro-Wang organ, said that we must build up armies to take over garrison and defense in the peace areas, where the first object to be attained is the partial withdrawl of Japanese troops. We do value our present troops as the foundation of our military reconstruction, which will be developed with Japanese understanding and result in the unification of territories under the influence of peace with territories where the war of resistance is still going on." One wonders when the object of partial Japanese withdrawal will be attained and how the Japanese understanding will be ensued.

"As it Appears to the Japanese"



Japanese cartoon in Tokyo paper indicates Japanese reactions to current developments in the United States. The cartoon was entitled, "Taken for a ride." The object on the ground, a broken traffic signal light, was labeled "International Law," surprising suggestion for a Japanese to make after scuttling the Nine-Power Treaty and conducting an undeclared war in China for the past four years.

Japanese Pushing Advance in South Pacific; New Concessions from Indo-China

Inflamatory Japanese statements and rumors of new military and economic concessions gained from Indo-China continue to keep the situation in the South Pacific tense.

A report this past week stated that Japanese merchant vessels in the East Indies region may soon be convoyed. Seven naval divisions are already reported to be concentrated around Hainan, Tonkin and Formosa, where they are in a position to convoy ships or strike a blow at Dutch possessions.

Furthermore, Mr. Naoki Hoshino, Minister-without-Portfolio, stated last week that Formosa must "effectively assume the role as a base for Japan's southward expansion."

At the same time it was learned that Japanese "monks," really members of a special service, have been dispatched to key positions in the Pacific, such as Java, Malaya, India, Thailand and Indo-China, to preach for a united Buddist front under Japanese leadership.

Meanwhile, reliable sources have insisted that Indo-China has granted Japan new military and economic concessions by a secret treaty. They are said to include:

1. Stationing of 12,000 Japanese troops in Cochin-China.
2. Free Japanese passage to the Mekong river.
3. Japanese fishing rights in Indo-China waters.
4. Free coastal traffic for Japanese vessels.
5. Linking of French Indo-China's piastre to the Japanese yen.
6. Special customs privileges.
7. Export duty free of 70,000 tons of Saigon rice, plus all Indo-China rubber, to Japan for which payment will be made in Japanese goods.

Another report, by **Kuo Min**, states that Japan has also requested as "remuneration" for mediation offices, the following concessions:

1.—Indo-China to join the "co-prosperity sphere" in East Asia under Japanese leadership.

2.—Indo-China to permit the stationing of 2,000 Japanese troops at Saigon and the stationing of Japanese gunboats in the port of Saigon.

3.—Indo-China to lease the forts of Camranh Bay to Japan for a period of 15 years.

4.—Japan to have the right to station an unlimited number of troops in the region north of Haiphong.

5.—Indo-China to permit Japanese nationals to engage in land reclamation in the uncultivated parts of Indo-China.

6.—Indo-China to conclude a commercial treaty with Japan, with reduced Customs tariff on Japanese imports.

Both of these reports have been most catagorically denied by competent quarters in Hanoi, but observers still give some credence to them.

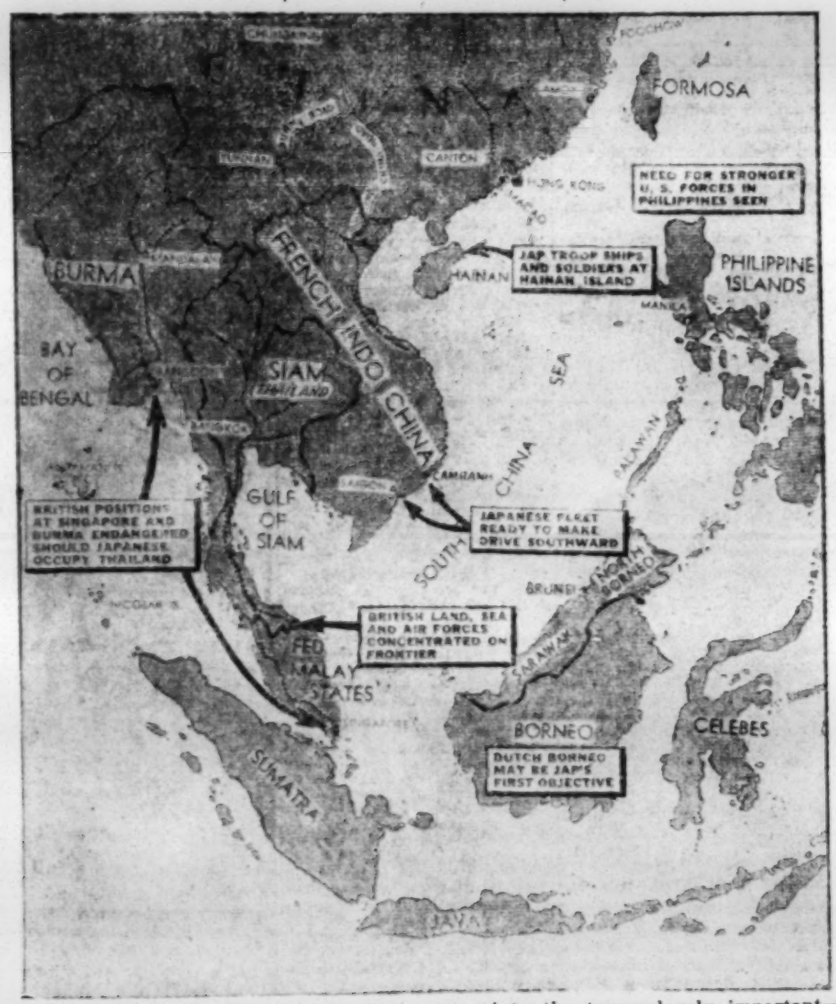
Meanwhile Britain and America have shown their serious concern over Japan's southward expansion by increasing aid to China. Britain is planning to construct a Burma-Yunnan railway. England is also sending a Chinese military mission to Burma and India and expects to dispatch British military advisors to Chungking for training Chinese officer.

In Thailand, Japanese dominance continued to be strengthened with the Minister of State, Colonel Prajan Parrion Montry, declaring that Siam will cooperate in establishing a new order in the Far East with actions as well as words. Concurrently it was noted that a new Japanese Consulate was opened at Singora and that a Thailand-Manchukuo mission was visiting in Manchukuo, Korea, and Japan.

Possibility of exchanging rubber and tin for defense supplies was discussed in Washington by Mr. E. N. Van Kleffens, Dutch Foreign Minister, on his way to the Netherlands East Indies, and American Undersecretary of State Sumner Welles. Mr. Von Kleffens is also understood to have said that the East Indies does not want war with Japan but was determined to resist attack to maintain full independence.

Tenseness continued to prevail in the Philippines this week with Subic Bay being declared a new defense area. President Roosevelt designated air space above the territory and surrounding waters adjacent to the bay as defensive areas and made a similar designation for the naval reservation at Olangapo.

"Will Japan Move into this Sphere?"



Whether or not Japan attempts to move into the tremendously important—and highly dangerous—sphere of the South Pacific, depends largely upon present-day developments in Europe, Africa, the Balkans and in Russia and the Near East. Map from Chicago Daily News.

Harvard Club In Annual Dinner

More than 100 members and guests attended the annual dinner meeting of the Harvard Club of Shanghai at the American Club Wednesday night, April 2. T. K. Ho, Deputy Secretary of the Shanghai Municipal Council and retiring President of the Club, presided. The new officers elected included; Mr. Charles Richardson, jr., President; Dr. Eugene Shen, Vice-President; William Mayger, Secretary; and Wenshao Chao, Treasurer. Following the election of officers, a number of films showing the tercentenary celebration of Harvard University in 1936 were shown. The pictures included scenes of Harvard buildings and campus as well as noted educators diplomats and visitors from various parts of the world. One of the visitors shown was Dr. Fred Sze, of Shanghai.

Special Commission For Burma Road

The Chinese Government announced on April 2 the creation of a special commission to control transportation on the Burma Road. Chairman of the Commission is General Ho Yin-ching, war minister. Dr. John Earl Baker, former director of the American Red Cross in China, was appointed Manager of the Burma Road by General Chiang Kai-shek last month.

Yugoslavia Coup Foils Nazis and Italians Lose Heavily as Axis Powers Have Bad Week

Axis powers this past week lost ground on three continents. King Peter II of Yugoslavia set up a pro-British government in a coup d'etat, American authorities took over German, Italian, and Danish vessels, British naval units sank a detachment of Italian cruisers and destroyers, and Anglo-Ethiopian forces continued their steady march into Italian African possessions.

In the midst of Hitler's party for Mr. Matsuoka, Japanese Foreign Minister, when the Axis powers thought to induce greater effort from the Japanese for their cause by showing off their success with what they thought would be a new puppet, King Peter II of Yugoslavia suddenly took over the Yugoslavian Government and set up a pro-British regime. Hitler, astounded that his party could thus be ruined by a 17 year old boy, was suddenly confronted with two unpleasant alternatives. He must either withhold military pressure against Yugoslavia, or send his army to break Yugoslav resistance.

In either event Hitler stands to lose. If he refrains from putting military pressure on the Yugoslavs, he will lose his personal prestige as well as that of Germany both at home and abroad. If he attempts to break Yugoslav resistance by force, he will lose momentum for his planned drive on Greece from Bulgaria and he will have to face resistance not only by Yugoslavia but also by Great Britain, the United States, and Soviet Russia. For the Balkan crisis has become a world crisis.

King Peter II and Premier Simovitch's coup appears to be completely successful. There is still some division between Croatian and Serbian elements in the country. Nevertheless the government is stable enough to permit withdrawal of military cordons from around government buildings. Furthermore, with the exception of the ex-Premier, Mr. Tsvetkovich and the former Belgrade Chief of Police, Dr. Inchich, all the members of the previous Government, placed under arrest during the night of March 26, have been released.

The new Yugoslav Government is anti-German, although not actively so. Apologies have been given Germany for manhandling of German Assistant Military Attache, Captain Mose and the looting of the German Tourist Bureau Offices. Mr. Gregorich, however, editor or the pro-German Vreme, and Dr. Janke, leader of the German National Group in Yugoslavia, have been arrested which, along with the attacks on German Nationals, has caused the rapid evacuation of Germans from Serbian and Croatian sections of the country.

In regards to the new government's attitude toward the previously signed Tripartie Pact, Premier Simovitch told the German Minister that parliamentary approval was not likely as the fulfilment of the Pact's terms was impossible since they are contrary to the will of the Yugoslavian people.

The Yugoslav Premier nevertheless indicated that the new Cabinet will not take any action to denounce the Yugoslavian signature of the Tripartite accord.

General Simovitch added that Yugoslavia wishes to remain on peaceful terms with Italy and Germany as well as all other countries, and intends to maintain a policy of absolute neutrality.

Britain gave the Italian fleet a severe whipping at the same time that Yugoslavia gave Germany a taste of diplomatic defeat.

Reports reveal that a single British ship led a squadron of the Italian fleet into a trap with the result that the Italians lost four cruisers, three destroyers, and probably a battleship. The Royal Navy rescued more than 1,000 survivors and suffered no loss whatsoever itself. Admiral Castoni, commander of the Italian cruiser squadron, went down with his squadron, reports indicate.

Further British naval successes of the past week include the damaging of the German warships, Scharnhorst and Gneisenau, in a base at Brest by the Royal Air Force and the sinking of four Italian troop transports in the Adriatic. The transports, are said by Italian prisoners to have sunk with men and equipment.

Seizure by the United States Government of 28 Italian and two Nazi ships totalling 168,944 tons and 9,086 tons, respectively, indicates that Britain will soon receive additional ships for her diminishing merchant marine. The seized vessels are to replace American ships in south American runs. The replaced American vessels will probable be turned over to England.

The ships were placed in "protective custody" in order to safeguard United States harbors from possible sabotage. Among the vessels seized was the Italian liner Conte Biancamono, Shanghai-caller tied up in a Panama Canal Zone port.

Germany and Italy have demanded the release of the vessels and their crews but the State Department indicated it would ignore the demands. The Treasury Department said 25 of the Italian ships and one of the German ships had been deliberately damaged by their crews. Federal agents have begun investigations with the intention of prosecuting such cases.

It is also learned that the Governments of Mexico and Peru seized Axis freighters as crews of seven German and Italian freighters burned and scuttled their ships in Latin and South American harbors to prevent seizure.

Meanwhile, Mussolini's legions are still on the run in Africa.

Amsara Eritrean capital, has fallen into British hands. British occupation of Asmara, paves the way for a drive on Massawa, Italian naval base and last Red Sea port, and breaks off Eritrean communication with Ethiopia.

In Ethiopia, Harar, second most important city, has been captured by British forces. Abyssinian insurgents, led by a blackbearded fighting priest, also have cut the key road linking the Italian stronghold of Gondar with Asmara. The conquest of the whole colony now seems to be only a matter of time.

More Pacific Raiders Seen

Ship movements in Shanghai this week led many observers to believe the Fascist forces were preparing for further raiding expeditions against Allied shipping in the Pacific.

Ramses, German freighter of the Hamburg-Amerika Line, skipped out of her port in Shanghai this week without clearance papers and bound for an unknown destination.

Meanwhile, the Conte Verde, Italian passenger ship, was taking on water and fuel this week and apparently was making ready to sail. Rumors had it she would proceed to Kobe to be fitted out as a raider. Reports also said the Ramses had been met by two Japanese destroyers at Woosung and escorted to Kobe to serve as a supply ship for raiders. The Eritrea, an Italian gunboat, was reported to have arrived at Kobe last week.

Three other large German liners are now docked in Kobe and all are capable of being outfitted as raiders. Meanwhile, the British at present have only one small destroyer at Shanghai and are thus unable to interfere with Axis naval activity.

"Thumbs Up for the Australians"

Illingworth cartoon in "London Daily Mail," gives the Australian troops full credit for their great accomplishment in the African campaign.

More Troops Arrive At Singapore Base

Air-Marshal Sir Robert Brooke Popham, Commander-in-Chief of the British Army Forces in the Far East, announced this week the arrival of additional units of the British and Indian Armies and of the R.A.F.

Sir Robert said that the Indian Army units, consisting of Malaya's latest manpower reinforcement, included men from all parts and races of India, and added that the infantry and artillery mechanized units were equipped with the latest weapons perfected on the battlefields of Flanders and Africa.

Chungking, Nanking Vie for Support of Chinese Living Abroad; Fong Visits Interior

The Chungking Government in recent weeks has been making strong efforts to rally to its support wholeheartedly the millions of Chinese living outside their native land—Chinese in such countries as the United States, the Philippines, N.E.I., Malaya, Indo-China, Thailand and Burma.

The Japanese, meanwhile, have been exerting their influence to swing the sympathies of these Chinese to the side and cause of Wang Ching-wei and his Nanking Puppet Government.

Testimony of the success of Chungking in rallving these Chinese to its cause were the recent trips to China's capital of two leading American Chinese and journeys into the interior a few months earlier of leading Chinese from other countries. These trips and the resulting campaigns in the overseas Chinese communities have netted widespread interest in Generalissimo Chiang Kai-shek's Government and cash returns from sympathizers.

Among the recent American Chinese to visit Chungking, attend the meeting of the People's Political Council and affirm his support of Free China was B. S. Fong, leader of Chinese in San Francisco. Mr. Fong, who was guest of honor at a luncheon given by the Generalissimo and Madame Chiang, presented Madame Chiang with $100,000 for the war chest and 10 sets of medical apparatus for 10 different military hospitals in China.

A wealthy merchant, Mr. Fong has been instrumental in raising large sums of money for war relief in China, amounting to more than US$3,300,000. He gave newspapermen the following statement:

"The primary purpose of my trip to China is to attend the coming session of the People's Political Council. I also hope to avail myself of this opportunity to visit the front lines to express to our soldiers, who have so courageously fought against Japanese aggression, the loyalty and gratitude of their Chinese compatriots livng in the Western Hemisphere.

"The Chinese Overseas residents are not only interested in the immediate problems of defense and relief, but are vitally concerned with the gigantic task of economic reconstruction; therefore this occasion will give me an opportunity to observe the changes that are taking place in Free China. We who live abroad are anxious to do our share to support our war resistance.

"To Generalissimo Chiang Kai-shek and our gallant army, I carry the message of loyalty and devotion of their compatriots living in the American continents. I express their hope that unity and discipline will be maintained for the accomplishment of the supreme task of driving out the Japanese invaders."

Kwang Ping-shun, another American Chinese and a delegate to the People's Political Assembly, also visited Chungking recntly and also took a swing through Kwangtung and Kwangsi. An Overseas Chinese Development Corporation will be inaugurated in Hongkong shortly under the auspices of a group of overseas Chinese industrialists, including Mr. Hu Wen-hu (Aw Boon Haw), well-known Singapore industrialist and philanthropist, **Kuo Min** reports.

The Corporation will be capitalized at $50,000,000, which has already been raised through the sale of shares, the agency said. It was understood that the Corporation would spend $10,000,000 for development and exploitation of mines in Kwangtung Province.

Meanwhile, **Domei** reported that Aw Boon Haw, known as the "Tiger Balm King," was to be elevated by the Generalissimo to the status of leader of overseas Chinese. **Domei** claimed the Chinese were making the move for support of the Singapore industrialist as a result of the recent disaffection of Chen Chai-keng, "millionaire Chinese rubber planter in Singapore."

The Japanese news agency said Chen was one of many overseas Chinese who was withdrawing from active participation in the anti-Japanese campaign among overseas Chinese. Mr. Chen was said to have organized an Overseas Chinese Committee to further his activities.

The Chinese Government has lodgel a prottst with the Vichy Government against Japanese attempts to intimidate Chinese residents in Indo-China, a **Kuo Min** report from Chungking declared.

Recently, the Japanese military commander in Indo-China and Mr. Lin Jumin, representative of the Nanknig regime in Indo-China, issued a joint-order to Chinese residents at Hanoi, requiring them to attend a memorial service in honour of the late Mr. Tseng Chungming, Mr. Wang Ching-wei's Secretary, who was assassinated there a few years ago, **Kuo Min** declared.

This action is interpreted in Chungking as an attempt by the Japanese to exercise control over Chinese residents in Indo-China.

Backs Chungking

Mr. B. S. Fong, left, San Francisco business man and leader of American Chinese, shown with General Wu Tehchen, director of Chungking's Overseas Affairs Department and formerly mayor of Shanghai.

Mexico, U.S. Reach Air Pact

Sumner Welles, U. S. Undersecretary of State, and Francisco Najera, Mexican Ambassador, this week signed a convention at Washington providing for reciprocal use of air fields. The agreement will become effective when ratified by the Mexican Congress.

Meanwhile a national students group meeting at Puebla passed a resolution denouncing the Mexican Government's pro-U.S. policy. The meeting later was dissolved by the Government, **Domei**, Japanese news agency, reported.

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Political Terrorists Less Active During Week; Nanking Official Shot, Paper Bombed

Political terrorism decreased this week with only one Nanking official shot and one pro-Chungking paper bombed.

The Nanking official attacked was Mr. Shen Chu-sheng, of the Nanking controlled Tax and Revenue Office in Shanghai. He was shot by a young Chinese who had applied for a job and allegedly returned to Mr. Sheen's home to bring back an application blank. Mr. Shen suffered two serious chest wounds.

Nanking agents bombed the Dah Chung News Agency by throwing a potato-masher type grenade through a window of the agency office on Avenue Edward VII. Considerable damage was done to office fixtures and one person was injured in the leg.

Meanwhile, the two Central Bank of China offices which were bombed last week are functioning normally again. Fourth United States Marine guards at the various Chungking banks in the Marine sector were withdrawn although precautionary measures are still being taken.

There is still no indication as to how soon the 128 Bank of China employees and two officials of the Bank Communications will be released from their present detention at 76 Jessfield Road, local Wang Ching-wei headquarters.

Most daring kidnaping of the week was the abduction of Mr. Ho Ching-hua, leading complainant in the recent $500,000 cotton swindle. Trial of the swindlers was just commencing and it is obvious that the crime is meant to intimidate the other complainants—numbering about two score—and thus "kill" the court trial.

Mr. Ho was ascending the steps of of the Chinese Cotton Brokers' Association Market, 115 Hankow Road, when the kidnappers forced him at pistol-point to accompany htem in a commandeered Taylor taxi.

A Cantonese American returned student, Loh Chung-zung, was shot and killed this week while walking along Yu Yah Ching Road near Swatow Road. The assassin fled while his victim died on the way to the hospital. No motive has been discovered for the shooting.

Most calloused slaying recently occured when thugs robbed a Rue August Boppe pawnshop of $800 and murdered two of three bound employees in cold blood. The gunmen had tucked their victims into an upstairs lavatory and stuffed a mattress and blankets around them before firing aimlessly at them.

Meanwhile city courts tried four kidnap suspects, a gangster chief, a kidnaping trio, a gang of 21 men and two women, and a Portuguese gambler, Four of the kidnapers were remanded in custody for the weeks, the gangster chief, arrested in a Japanese hotel, was remanded for six days, the kidnaping trio got jail sentences up to 15 years, while the Portugese gambler, Perpetuo, was given the choice of a 60 day sentence or a $31,000 fine. Perpetuo had acted as a "registry front" for numerous Chinese gambling and opium dens and had boasted of immunity to Settlement law because of extraterritoriality rights.

Being unable to show any impressive policy record other than asking gambling to stop but doing nothing about it, the western district Police Force contented itself with erecting barbed wire barricades. These barricades have been set up on the boundaries between the Settlement and the West Shanghai Areas "to ensure the safey of the residents in the areas under the jurisdiction of the Special Police."

Siao Tuh-siao, son of a rich Chinese factory owner, was kidnapped this week by five armed men outside his home.

Chou Hung-yich, said to be a Korean and formerly connected with a Cantonese newspaper with offices in Shanghai, was fatally shot on the street this week. His slayer escaped.

Seventy-four gamblers were ordered in the First Special District Court this week to pay fines ranging between $20 and $300. They were arrested on the previous night in several rooms in the Chung Nan Hotel in Avenue Edward VII. They were found to have played the Tsah Tan, a Chinese game in which beans are used.

Two Japanese Shot in Hankow

Sueji Tomita, civilian employee of the Japanese Navy, and a friend, Haruki Nonaka, were shot and wounded in Hankow this week by several Chinese gunmen, believed to be anti-Japanese terrorists, **Domei** reported.

The two Japanese were walking a road at the time and pistol shots were fired from behind. One bullet lodged in Mr. Nonaka's waist, and another pierced Mr. Tomita's thigh. Both wounded men were rushed to the Municipal Hospital where Mr. Nonaka was found to be in serious condition. Mr. Tomita's wound was not serious.

Japanese gendarmes and police authorities were conducting a close search of the city to hunt down the gunmen, who escaped.

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Japanese to Stabilize Military Yen's Level; Nippon Financial Position Said Weak

Japanese authorities will seek to stabilize the level of the Japanese military yen, which has been rising rapidly in relation to the Chungking currency, a Japanese army spokesman said this week. The sharp drop in the value of fapi has been laid to recent terrorism of bank employes in Shanghai and bombing of two Chungking banks in Shanghai.

Japanese authorities will peg the military yen at a "reasonable and not too high a level," the spokesman declared.

A triangular currency war in China which has been waged between Japan, Great Britain and the Chiang Kai-shek regime since the beginning of the Sino-Japanese conflict, has been developing in Japan's favor *Domei* quoted exchange bankers as saying.

The selling rate of Japanese military scrip quoted at Yen 49½ against $100 on January 4, stood at Yen 41 this week. Compared with six months ago, Japanese military scrip has risen 300 per cent in terms of Chungking dollars. Meanwhile the Hongkong dollar also registered a corresponding devaluation in terms of Japanese yen. One hundred Hongkong dollars quoted as Yen 269 on February 1, fell to Yen 245 on March 1, again to Yen 235 on March 20, and slumped to Yen 185 this week. This represents a devaluation of Hongkong dollars by Yen 84, which is more than 30 per cent in terms of Japanese currency, in eight weeks.

However, reports from Chungking by *Kuo Min* said the Ministry of Finance had issued identical orders to the Shanghai branches of the "Big Four Banks (the Central Bank, the Bank of China, the Bank of Communications and the Farmers' Bank of China), instructing them to continue to carry on business as usual, despite the recent terrorism.

Ralph Robey, American economics expert writing in *Newsweek* and analyzing Japan's financial position, concluded that Japan must of necessity ultimately find herself outclassed.

Mr. Robey's analysis follows:

Of all the major nations of the world now faced with the problem of war finance Japan offers the most complete example of how crucial this question can become in modern warfare. It is a negative lesson that Japan teaches, but this does not make it any the less interesting in and of itself, and it makes the methods being followed by other countries, and the issue that now confronts us in the United States, stand out all the more clearly.

For Germany the fundamental problem of war finance is a question of getting the necessary domestic production, and this is done through a system of complete regimentation, with the result that the matter of money as such is of no particular significance. In Great Britain the fundamental problem is one of foreign purchases, and her great financial task is to find the means with which to make payment for these necessary foreign goods. Japan is cursed with the worst features of both of these situations. And whereas Germany and Great Britain have solved, or are in a fair way of solving, their difficulties, Japan as yet has made practically no progress toward a solution.

Consider, first, the question of internal production. In Germany there was and is a beautiful productive machine, an enormous supply of expert labor, and a standard of living far above the subsistence level. By a system of regimentation, therefore, it was able to drive this productive machine to the limit, to use the supply to the utmost by lengthening hours and putting women and children to work, and to subtract the "excess" of the standard of living and devote the facilities formerly used in the production of these goods for the manufacture of war materials.

Japan has no such possibility. She has adopted the regimented economy, but she doesn't have the production reserves with which to accomplish much. Her capital equipment is not good, and there are not the savings in the country to make it good; her labor supply is not comparable from

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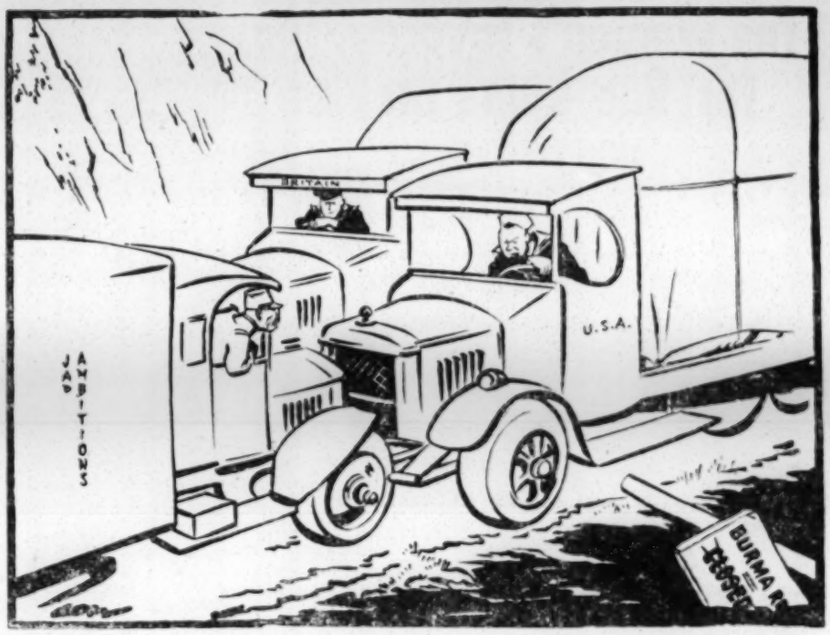

Low in N. Y. Times.

the point of view of skill and training with that of Germany; and the standard of living is such that not a great deal can be squeezed out of it for military purposes.

So by and large, in spite of trying to copy the methods of Germany, Japan hasn't been able to accomplish much in they way of stepping up her internal production. Even on the relatively simple things, and those for which she has all the necessary ingredients, her record is not inspiring. Granted, it's better than it would be if she had not tried regimentation and rationing, but the change in production from what she had with a free economy is not in a class with that which Hitler has brought about in Germany.

But the matter of internal production is only half of Japan's difficulties. There are a lot of raw materials that she must have from other nations if she is to become a total military power. In other words, in this respect she is in a position similar to that of Great Britain. But with this great difference: Great Britain has a relatively large amount of gold and foreign exchange that she can use for the purchase of such foreign materials, and she also enjoy the confidence of the United States and other potential lenders as a credit risk. Japan has neither of these advantages. She has practically no gold and foreign exchange, and her reputation is such that buying on credit is impossible for all practical purposes.

What has been the net result? It's quite obvious. She has been able to continue fighting year after year, but as compared with what goes on in Europe it has had to be a relatively leisurely fight. And it will have to continue to be so. For fundamentally there is no solution to the problem of war finance for Japan. She could meet the demands of the old type of warfare, but in a world in which nations convert their whole economy into just so many parts of a war machine, Japan must of necessity ultimately find herself outclassed.

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Chiang Says Military Crisis Has Passed in Address Before Central Executive Committee

The Eighth Plenary Session of the Fifth Central Executive Committee of the Kuomintang was held in Chungking from March 24 to April 2.

Generalissimo Chiang Kai-shek, of the Kuomintang, presided over the opening session. General Wu Te-chen and Mr. Kan Nai-kwang were elected respectively Secretary-General and Deputy Secretary-General of the Plenary Session. A presidium of 11 members was elected, including Wang Fa-chin, Ting Wei-fen, Chu Cheng, Yu Yu-jen, Sun Fo, Feng Yu-hsiang, Tai Chi-tao, Tsou Lu, H. H. Kung, Chen Kuo-fu, Li Wen-fan.

The Generalissimo Chiang Kai-shek, in an address at the opening session, emphasized that China's military crisis in the Sino-Japanese war definitely has passed but the nation must bolster its economic front and the Kuomintang must revive its now decadent revolutionary spirit, reported the **United Press** from Chungking.

General Chiang laid stress on economic warfare, asserting that the key to success or failure in China's resistance lies therein. He said economic well-being would be about 70 per cent—and military affairs only 30 per cent—as decisive factors in the war. "Public opinion is at present unduly apprehensive over econmic problems," he said. "According to my observations, China's economic position does not give much cause for alarm. The only question is whether we can undergo hardships and sacrifices and whether we can embark upon the phase of positive reconstruction.

"The situation was most unfavorable for the prosecution of the war in the six months since the close of the Seventh plenary Session to the end of last year." said Gen. Chiang. "At present, all our comrades and our comrades and all our compatriots throughout the country have seen with their own eyes that the military situation has been stabilized and that the diplomatic situation has been clarified. Everybody now recognizes that the crisis is past.

"However," emphasized Gen. Chiang, "though the crisis is past, we must not be negligent, but should redouble our efforts and, relying on our past experience, spare no sacrifice to overcome our difficulties and fulfil our mission."

The Generalissimo warned the members present that the Kuomintang had gradually drifted away from the people and that the party members had lost their revolutionary spirit and had become lax in their work. He strongly urged them to return to the people and to revive the spirit of the revolution in order that Kuomintang might live up successfully to its leadership in the Nation's dual task of resistance and reconstruction.

"There are people who criticize the work of the Kuomintang Party as being too loose,' the Generalissimo went on, "Some even say that we have become corrupt and out-dated. These criticisms we should admit and accept. From today on we should thoroughly review past mistakes and take steps to rectify them."

"At the same time," concluded Gen. Chiang, "detailed measures should be devised to enforce our principles, reconstruct the country and carry out our domestic and foreign policies. These measures should be faithfully carried out after the close of the conference, so as to accelerate the achievement of the ultimate victory."

Lated **United Press** report from Chungking further stated that Chinese and foreign observers applauded Generalissimo Chiang Kai-shek for his plain speaking on March 24 and his frankness and courage in criticizing the Kuomintang's shortcomings and failures.

The following Committeemen were named:

Committee on Party Affairs, with Dr. Chu Chia-hua and Che Li-fu as conveners.

Committee on Political Affairs, with Generals Chang Chun and Hsiung Shih-hui as conveners.

Committee on Military Affairs, with General Ho Ying-chen and Cheng Chen as Conveners.

Committee on Economic Affairs, with General Ho Yao-tsu and Hsu Kan as conveners.

Committee on Educational Affairs, with Wu Chih-hui and General Pai Chung-hsi as conveners.

Several Government officials at Chungking, in speeches promoting the sale of Chinese War Bonds, this week recommended purchase of these bonds by citizens of Shanghai and other cities as a means of investing surplus capital. They said such purchases would diminsh the menace of speculation and hoarding. The subscription campaign for war bonds is now in full swing at Chungking.

Dr. H. H. Kung, Vice-President of the Executive Yuan and concurrently Minister of Finance, in a radio appeal broadcast on March 14, urged the people

throughout the country to purchase war-time bonds to assist the Government in carrying on the campaign of resistance and national reconstruction, **Kuo Min** reported from Chungking.

Since the outbreak of the Lukouchiao Incident (July 7, 1937), Dr. Kung said, Japan has issued more loans than China. The average burden on each Japanese is more than $400, whereas the average burden on each Chinese is only a little more than $10. Continuing, Dr. Kung said that an enormous amount of idle capital is now accumulated in Shanghai. These funds should be used for the purchase of War-time Bonds, instead of for speculation in foreign exchange and on the gold bar market.

In his radio broadcast on March 22, Mr. Ku Cheng-kang, Minister of Social Affairs, also appealed for the purchase of War-time Bonds, especially by those who are in possession of idle capital. Another government official who urged the Chinese people to purchase War-time Bonds with their idle capital was Mr. Kuo Mo-jo, Chairman of the Cultural Committee of the Political Affairs Department of the Military Affairs Commission. In a broadcast address on March 24, he also said that China should utilize the situation created by Japan's southward expansion for the achievement of the ultimate victory. The purchase of the War-time Bonds will help facilitate the achievement of the ultimate victory, he said.

Japan's Move Analyzed

Mr. Kuo said that Japan's southward expansion is generally regarded as favorable to China's campaign of resistance. It is generally believed that, once Japan begins her southward expansion, China will be able to launch an immediate counter-offensive against Japan with a reasonable prospect of success. Mr. Kuo believed Japan's immediate objective was to conquer China before attempting to conquer Asia and the world. Japan will not abandon the China adventure even when she expands southwards, because her southward expension will aim at bringing the China adventure to a successful conclusion, he said. The whole question, according to Mr. Kuo, will depend entirely on China's own efforts.

Initial results of the sale of the War-time Bonds were revealed in a recent report carried by **Havas** from Chungking which said that a total of 48 sales teams have collected at least the amount assigned to them, most of them having exceeded the figures set for them. It is now estimated that subscriptions from Chungking alone will exceed $100,000,000. The campaign, it is reported, will be extended to the provinces next month.

Although reported to be devoid of political discussions, the luncheon given by Generalissimo and Madame Chiang Kai-shek, in honor of Mr. Chou En-lai, Communist leader and liaison officer between the Kuomintang and the Communists, and his wife on March 25 was taken by informed quarters as a sign of improving Kuomintang-Communist relations.

Mr. Chou's wife, who is known as Miss Teng Yen-chao, is one of the Communist members of the People's Political Council who refused to attend the recent session of the P.P.C. because of the differences between the Communists and the Kuomintang as a result of the disarmament and disabandonment of the New Fourth Army.

In order to increase the efficiency of the Governmental machine and of provincial administrations, the Government is planning to undertake a large scale reform of the present administrative machinery, the **Ta Kung Pao** announced on March 29. Although little has been revealed so far as to the precise mea-

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sures the Government intends to take, the paper asserted that he reform will be aimed especially at the elimination of "duplicate administrative organs" which are a heavy financial onus and an obstacle to efficient administration.

Other war-time measures planned by the Government were also reported on March 21 by the same paper, which said that the Central Planning Board has at present two distinct plans under consideration, one a three-year plan regarding the administration of Kuomintang Party affairs in war-time and the second a five-year plan on post-war reconstruction work. The plans will be submitted for approval at the plenary session of the Central Executive Committee. The paper further added that the plans, comprehensive and detailed, aim at organizing the material and human resources of the country in order to increase national strength.

Martyrs' Day Observed

March 29, the death anniversary of the 72 Sunflower Hill Revolutionary Martyrs, was observed in Chungking at a mass meeting held under official auspices, reported **Kuo Min** from Chungking. Generalissimo Chiang Kai-shek, President of the Military Affairs Commission, issued on the previous day a circular order to the Provincial Party headquarters in Kiangsu, Anhwei, Kwangtung, Kwangsi Fukien and Szechuan, instructing them to send representatives to comfort the families of the martyrs.

The 72 revolutionary Martyrs, it will be called, were executed by the Manchu Authorities in 1911 after an abortive revolutionary uprising at Canton directed by Dr. Sun Yat-sen, the later Party Leader.

The week passed, meanwhile, with another marionette show staged at Nanking where the Wang Ching-wei regime celebrated on March 30 the first anniversary of what **Domei** described as the return of the National Government to its capital. The celebration was reported to have been attended by Wang Ching-wei, a number of puppet officials and representatives from North China, Hankow and Canton. A cocktail party was later given by Wang Ching-wei, with the attendance of 80 Japanese, Manchukuoan and foreign officials, including Mr. Kumataro Honda, Japanese Ambassador to Nanking regime, and General Shunroku Hata, Commander-in-Chief of the Japanese Expeditionary Forces to China.

A cordial message of feliciation was sent to Wang Ching-wei by Prince Fumimaro Konoye, Japanese Premier, paying tribute to Wang and his followers for their "untiring efforts in realizing peace and national reconstruction in China." The message said nothing new and was but a repetition of the old admonitions such as the necessity of Wang-Japan cooperation and the realization of the principles of co-existence and co-prosperity between Wang and Japan.

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Japanese Make Huge Gains in Tobacco Manufacturing Industry; Interests Leap from 2 to 50 Per Cent

BY FREDERICK FANG

An increase in the Japanese tobacco manufacturing industry from a meager two per cent of the market in 1935 to a near monopoly of 50 per cent in recent months was revealed in figures released in Chungking last week. Whereas Japanese plants in Central China were non-existent previous to the war, after the first 3 months 21 of the 44 Chinese-owned tobacco factories in Shanghai were taken over by the Japanese, and nine others were forced to suspend operations. In 1935, figures showed that the British American Tobacco Corporation and its subsidiary factories were producing about 86 per cent of the rolled tobacco consumed in China, while Chinese plants accounted for the rest, except for the Japanese two per cent. At present, the balance rests between the various Japanese tobacco companies and and the British American Tobacco Company.

Chinese owned and managed factories in Central China totaled 57 in number just before the hostilities broke out, of which 48 were located in Shanghai. Their aggregate capitalization was estimated to be around $20,000,000 and their annual production was valued at $80,000,000. The 48 factories in Shanghai had a total capital of $19,000,000 and their total annual output was valued at $76,000,000. Immediately before the outbreak of hostilities, however, only 31 out of the total of 48 were operating. They had a total of 346 cigarette making machines. These 31 factories are classified in the following table according to their capitalization:

Capital	*Number of Factories*
$ 0– 100,000	16
100,000– 200,000	3
200,000– 300,000	3
300,000– 400,000	2
400,000– 500,000	4
500,000–5,000,000	2
5,000,000–and over	1
	31

Details of these 31 factories were tabulated as follows:

Name	*Capital*	*Number of Machines*	*Location*
Nanyang Brothers	$11,250,000	95	Seward Road
Hwa Chen	3,600,000	70	Wayside Road
Ta Tung	200,000	15	Kungping Road
Hwa Tung	500,000	12	Tangshan Road
Hwa Ping	300,000	15	Baikal Road
Ta Tung Nan	200,000	7	Zikawei
Shung Lun	410,000	8	Kaifeng Road
Ho Sin	400,000	12	Yukao Road
Hwa Fei	500,000	6	Paoting Road
Fu Sin	—	24	Macao Road
Kiang Che	60,000	7	Pingchili Road
Hwa Mei	150,000	5	Tangshan Road
Teh Sin	20,000	5	North Chekiang Road
Li Sin	40,000	2	Boone Road
Teh Lung	50,000	8	North Honan Road
Chung Nan	100,000	11	Ward Road
Ta Sin	10,000	2	French Concession
King Sha	10,000	2	French Concession
Hwa Ta	200,000	1	Tangshan Road
Kun Lum	50 000	5	Tangshan Road
Lu Sin	30,000	2	French Concession
Yu Li	10 000	2	French Concession
Mei Sin	5,000	1	Tangchialung
Hwa Sing	10,000	3	Kunming Road
Ya Chow	20,000	4	Tangshan Road
Sin Min	50,000	3	Watson Road
Hwa Ting	20,000	1	Tangshan Road
Fu Chong	300,000	8	Wuting Road
Tsai Chung	25,000		
Kiang Nan	20,000	3	Ward Road
Sin Hwa	100,000	5	Tangshan Road

As 20 of the 31 factories were located in the war zone, including Chapei and Hongkew, they suffered heavy losses. It was estimated that 11 were burned, involving 215 cigarette making machines and another 8 factories were put out of commission, involving 57 cigarette making machines. The Nanyang Brothers Tobacco Company was seriously damaged and the management succeeded in removing only small quantities of raw materials and manufactured products when the war broke out on August 13, 1937. The factory premises was repaired later on by the Japanese and is now being used as the Japanese Post Office. The Hwa Chen Tobacco Factory was also seriously damaged. Other factories suffered heavy damages and losses were the Hwa Mei, Ho Sin, Chung Nan, Ya Chow, Sin Min, Hwa Sing, Kun Lum, and Kiang Nan tobacco factories. The Hwa Ping, Hwa Fei, Hwa Tung, and Sin Hwa, however, escaped undamaged, but they were taken over by the Japanese interests and now operated by Japanese interests. The following table gives the general condition of the damages done to various factories during the war, according to an investigation of the Kincheng Banking Corporation:

	No. of Factories
Completely destroyed	8
Seriously damaged	8
Slightly damaged	8
Safe and Intact	12

After the withdrawal of Chinese troops from the vicinity of Shanghai in the latter part of 1937 and the general recovery of industrial conditions in the early part of 1938, many tobacco factories resumed operations. However, none of the Chinese factories found it possible to resume operations in the Japanese occupied areas of Hongkew and Chapei, where the Japanese decided to open factories of their own or to reorganize the former Chinese factories into Japanese enterprises. The Nanyang Brothers Tobacco Company, the Hwa Chen Tobacco Company, and a number of others were forced to ask other tobacco factories in the International Settlement and French Concession to manufacture their brands of cigarettes. The Nanyang Brothers Tobacco Company entrusted the manufacture of their cigarettes to the Kiang Cheh, Teh Sin, and Wei Chung tobacco factories while the Hwa Chen Tobacco Company asked the Li Sin and Teh Lung tobacco factories. Lately, the Hwa Chen Tobacco Factory built a new factory on Chongping Road in the International Settlement.

Meanwhile, a number of tobacco factories, which were forced to suspend operations before the outbreak of hostilities because of poor business resumed operations. They were the Fu Sin, Shun Lum, Ta Tung Nan, King Sha, Yu Li, Sin Yuan, Hwa Ting, Lu Sin, Mei Sin, Tsai Chung and Kiang Cheh tobacco factories. However, five of them suspended operations once again in 1939 because of poor business resulting from the following reasons: (1) difficulty of shipping their products to the interior because of Japanese blockade, (2) difficulty of securing necessary raw materials from Honan and Shantung, the tobacco-leaf producing centers of China, and (3) keen competition with the Japanese tobacco factories and the big Chinese and the Anglo-American factories. Only one new tobacco factory was organized in 1939—the Hwa Li Tobacco Company. The following table gives the number of Chinese factories which resumed operation or newly established in 1938 and 1939:

		No. of Factories
Chinese Factories resumed operations in	1939:	19
	1939:	3
Chinese Factories newly established in	1938:	—
	1939:	1
		23

Capitalization	*No. of Machines*
$18,868,000	89
55,000	9
30,000	2
$18,953,000	100

In Central China, the Oriental Leaf Tobacco Company in August, 1938 increased its capital from Yen 1,000,000 to Yen 10,000,000 (of which Yen 6,850,000 is paid up) to develop Japanese tobacco industry. Later the Toa Tobacco Company entered the Shanghai field by "purchasing" the Hwa Tung and Hwa Ping tobacco factories. They were reorganized into the Hwa Fung No. 1 and Hwa Fung No. 2 tobacco factories. The Oriental Tobacco Leaf Company operated the Hwa Sen Nos. 1, 2 and 3 factories, which were formerly the Chung Yuan, Sin Hwa tobacco factories and the Chen Ta rubber goods manufacturing plant. In addition the Japanese Kyosei Tobacco Factory operated three factories, known as the Kung Shen Nos. 1, 2 and 3 factories. All of them were former Chinese owned and managed plants.

According to Japanese reports, the Yee Tsoong Tobacco Company, the Anglo-American concern, produces 20,000,000 cigarettes a year or 50 per cent of the total production in Central China. Japanese factories produce 13,000,000 or 60 per cent of the output of the Anglo-American concern. The remainder is turned out by the Chinese factories as shown in the following table:

Capitalization	*No of Machines*
$ 800,000	50
15,250,000	165
1,995,000	57
2,838,000	72

		No. of Factories	No. of Machines
Yee Tsoong Tobacco Company:	Shanghai factories:	3	170
	Hankow factories:	3	30
Japanese factories:			
Toa:	Shanghai factories:	2	65
	Hankow factories:	1	10
Oriental:	Shanghai:	3	45
	Hankow:	1	7
Kyosei:	Shanghai:	3	9
Chinese factories:	Shanghai:	30	100
		46	436

The following table gives the ratio of production of all factories in China showing the prominent position of the Anglo-American concern, according to Japanese reports:

	Total Production (in 100,000,000 cigarettes)	Share of Yee Tsoong
North China	180	100
Central China	400	200
South China	100	50
All China	680	350

In addition to the special privileges enjoyed by the cigarettes manufactured by the Japanese factories in the occupied areas of Central China, which prior to the outbreak of hostilities formed one of the most important markets of the products of the Chinese and foreign tobacco factories of Shanghai, the Japanese interests are enjoying the privilege of purchasing tobacco leaves in Honan and Shantung provinces. Of the total production of approximately 57,869,000 pounds of tobacco leaves in Shantung Province last year the Japanese interests bought as much as 28,934,000 pounds, the Anglo-British concern bought 11,570,000 pounds and the Chinese factories only 12,400,000 pounds. The Shanghai tobacco factories are forced therefore to import foreign tobacco leaves. The following table shows that the import of foreign tobacco leaves in Shanghai has increased steadily in the past few years since the outbreak of hostilities:

Import of Tobacco Leaves

	Quantities in Kilograms	Value in Customs Gold Units
1936	10,103,493	5,974,227
1937	13,109,015	6,305,063
1938	15,726,092	7,115,617
1939	32,379,054	11,712,470
1940: January	2,222,253	750,519
Februar	2,581,160	844,458
March	3,726,604	1,494,246
April	3,511,799	1,265,817
May	6,612,720	2,781,880
June	1,632,690	550,011
July	5,836,372	2,429,474
August	5,434,391	2,341,298
September	2,474,405	869,000

The price of cigarettes increased much not only because of the increased cost of production following the depreciation of the value of the Chinese dollar and the increased prices of raw materials, but also the increased tax on cigarettes by the "Kiangsu-Chekiang-Anhwei Consolidated Tax Bureau" of the Nanking "regime." Many of the Chinese tobacco factories were forced to suspend operations after May. It was estimated that the cost price of one box of cigarettes of the third grade was $1,100 while the market price was only $1,200. In August, however, the market price increased by 55 per cent when compared with July and in September it increased by 58 per cent when compared with August.

The following table gives the export of cigarettes from Shanghai during the first nine months of 1940:

Export of Cigarettes From Shanghai

	Quantities in 1000 Cigarettes	Value in Chinese Dollars
1940: January	53,892	205,864
February	8,083	31,312
March	17,734	73,098
April	81,489	365,775
May	116,854	506,388
June	16,016	85,000
July	14,285	69,008
August	7,833	39,739
September	38,718	201,825

Riley Gets 18 Months on McNeil Island

Judge Milton J. Helmick of the United States Court for China this week sentenced E. T. (Jack) Riley, Shanghai's "slot machine king," to 18 months' imprisonment on McNeil Island on 17 gambling counts.

Riley, who for several months "hid out" from authorities in Hongkew and finally was coralled last week, also faces in the U. S. a return to the Oklahoma State Penitentiary, from which he escaped years ago after having served only a short part of a 25-year sentence for armed robbery.

Increases Note In Living Costs

Unprecedented increases in the cost of living here for both Chinese workers and Western foreign salaried employees were registered in Shanghai during March, according to the monthly survey conducted by the S.M.C. Social and industrial department.

"Notwithstanding abundant stocks in the city, second grade Saigon rice was retailed at an average price of $100.45 per shih and second grade non-glutinous rict, $114.65," the report said. "The former showed a rise of $19.00 or 23.33 per cent and the latter $19.30 or 20.24 per cent over February.

"The price of coal briquettes recorded similar sharp increases. During the month it rose from $8.80 to $12 per 100 chin. The average price was $10.275 for March as against $8.775 for February, showing an increase of 17.09 per cent."

Admiral's Belongings Shown in Chungking

Seven pictures depicting alleged documents and swords taken from the plane that crashed and killed Admiral Baron Mineo Osumi, Japan's Supreme War Councillor and former Navy Minister, in Chungshan, Kwangtung, were distributed recently at Chungking by the official Chinese military spokesman to foreign news agencies and military attaches.

The Japanese Admiral and 10 others were killed in the plane crash on February 5 and since then both the Chinese and Japanese authorities claimed that they recovered the bodies.

Report Chinese Laborers Seized

Nearly 200 Chinese laborers were seized last week by Japanese military authorities in Shanghai's western district and forced into work for the Japanese, the **Shanghai Evening Post and Mercury** reported.

The Post reported, however, that both Japanese authorities and officials of the Western Area Special Police Force disclaimed knowledge of the seizures.

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Outstanding Events in the Sino-Japanese War A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th (1937) issue of The Review.

March 16

After three days of heavy fighting, the Chinese claimed to have recaptured the city of Kwanghai in southern Kwangtung province, seizing a large quantity of munitions. The Japanese were reported to have suffered casualties amounting to 800 killed and a large number wounded. While in west Hopei, the Chinese troops continued to make headway in their large scale counter-offensive south of Ichang and have regained all but two points recently occupied by the Japanese, report **United Press.** Chinese forces recapturing Lingchwan, south-eastern Shansi, were reported by **Kuo Min** to have recaptured Yenshuchang.

Far Eastern experts in Washington said President Roosevelt's speech on March 15 gave the "green light" to the aid to China program. Chinese Government circles, meanwhile, receivd the American President's speech with gratification, announcing that "China is determined to continue defending the sovereignty and all things which other Democracies are fighting to uphold."

⁂

March 17

The importance of the recapture of Lingchwan by the Chinese forces was stressed in Chinese field dispatches from the Shansi front as having thwarted the Japanese attempt to establish a junction between Japanese troops in Southern Shansi and Northern Honan, thus to threaten the Chinese postions in the Ta Hung mountains.

Two Japanese warships on the Yangtse River were sunk by Chinese forces in Anhwei last week, the **Central News Agency** reported.

Japanese reports claimed that the Japanese forces in Northern Kiangsi have launched a new drive against the Chinese positions in the Fengsin-Kaoan sector since March 15. Japanese columns advancing along the Kin River claimed to have captured Kaoan, 50 kilometers west of Nanchang.

Chungking authoritative sources denied a Japanese rumor that a Chinese aircraft factory had been moved from Yunnan Province to Burma.

⁂

March 18

Generalissimo Chiang Kai-shek said that if the United States gives China immediate aid, China's armies would launch a counter-offensive which would relieve intenational tension in the Pacific and might even lead to a quicker peace in Europe, when interviewed by the **United Press.**

Gen. Toshizo Nishio, retiring Commander-inChief of the Japanese Expeditionary forces in China, declared that the settlement of the China Affair is imminent. The Tokyo **Asahi** also voiced Japan's determination to win the China Conflict, notwithstanding possible American aid to China.

British subjects in Ichang were reported by **Reuter** to have suffered seriously from a Japanese boycott, particularly in the matters of obtaining requisite funds and necessary supplies, including foodstuffs.

A Chinese Journalism Society was inaugurated with the **Central Daily News'** Mr. Chen Po-shen and the **Ta Kung Pao's** Mr. Chang Chi-lan being elected to the board of directors, reported the **United Press** from Chungking. The First National Agricultural and Afforestation Administrative Conference, meanwhile, were formally closed, with the three-year program for promotion of agriculture and afforestation highlighting a total of 102 proposals adopted by the Conference.

Eighteen Japanese airplanes, divided into two squadrons, raided the suburbs of Chungking, but no great damage was done. The raiders were speedily repulsed by Chinese anti-aircraft guns.

⁂

March 19

Speaking at a luncheon of the Fabian Society in London, Dr. Quo Tai-chi, Chinese Ambassador in London, said that "China remains unconquered, and more than every unconquerable.....China has more than doubled her military strength since the war against Japan started."

The Axis may exert its influence upon Japan to examine the possibility of peace with Chungking, the **Popolo di Roma** hinted in a front page editorial.

Kuo Min reported from Fencheng that heavy losses were sustained by the Japanese troops at the battle of Tiensinmiao, near Ichang, in Western Hupeh.

The Chungking Garrison Headquarters has appropriated $1,000,000 to be used in the compulsory evacuation of the poor from Chungking, because of the approach of the bombing season, according to the **United Press.**

⁂

March 20

The ultra-nationalist **Kokumin,** hoping for settlement of the Affair as soon as possible, advocated the establishment of an independent Sovietized zone for China's interior.

The Japanese forces withdrew to a new front on the south bank of the Yangtze river nearer to their base at Ichang, abandoning munitions and a number of corpses, the Chinese military spokesman announced at the press conference. The three-pronged Japanese push to the west with 20,000 troops has been forced back to the positions held on March 2 by the threat of a Chinese flank movement he said. With an attempt to clear up the Chinese troops operating on the west shores of the Taihu lake in the vicinity of Kwangteh, Japanese forces near the Kiangsu-Chekiang border launched another three-pronged attack against Chinese positons there, he said. One column pushed southwest from Changhing in the direction of Sze-an, another drove southwest from I-hing towards Changtucheng, while a third column headed for Liyang.

Suining, northwest of Chungking, Changyang, south of Ichang, Santowping west of Ichang and Yingtan, in Kiangsi Province, were raided by the Japanese aircraft, Japanese reports said.

⁂

March 21

A mass murder, believed politically motivated, was staged at the Domitory of the Kiangsu Farmers' Bank, House 10, Lane 1412, Avenue Joffre, Shanghai, where five employes of the bank were killed outright and six others seriously

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wounded, some fatally, by a band of five or six gunmen.

Generalissime Chiang Kai-shek has sent a telegram to President Roosevelt thanking him for his statement that America would grant increasing aid to China, according to **Ta Kung Pao.**

Early end of the Communist-Kuomintang deadlock without fear of any open conflict was predicted by Dr. H. H. Kung, China's Vice-Premier, when interviewed by the **United Press.**

Japanese forces claimed to have captured Liyang in their Southern Kiangsu offensive.

Following yesterday's mass murder was one of the biggest mass "arrests" ever staged in Shanghai. Two night raids by Wang Ching-wei's "gestapo" over the domitory of the Bank of China, 96 Jessfield Road, resulted in the "arrest" of 128 of the bank's employes who were later detained at 76 Jessfield Road, headquarter of Nanking's secret police. Nanking's action was said to be in retaliation for recent acts of terrorism against the Nanking-backed Central Reserve Bank.

***

March 22

Generalissimo Chiang Kai-shek assured President Roosevelt that China was greatly heartened by the latters assurances of aid and thanked the President for America's goodwill toward China, the State Department in Washington disclosed, according to **United Press.** Mr. Hubert S. Liang, Director of Central Chinese Industrial Co-operatives, who is now in New York, said that China will take the offensive against Japan if the United States sends China guns and technicians. Dr. Hu Shih, Chinese Ambassador to Washington, in a published message, also thanked the United States for "effective assistance and moral encouragement every time when we were at our lowest ebb in fortunes of war or the morale of the people."

The Chinese Government has decided to float in the United States US$10,000,000 worth of bonds for the construction of the Kunming-Lashio railway. The measure was backed by Lauchlin Currie, according to Chungking press.

Chinese forces launched a furious counter-offensive in the Kaoan-Shangkao sector. The Japanese suffered between 2,000 and 3,000 casualties in the past five days and the tide has turned in favor of the Chinese, according to **Ta Kung Pao.** The Chinese, it was further reported, recaptured Huifow, southwest of Kaoan, with the Japanese being forced to retreat to the northern bank of the Kin River.

Noted Chinese Writer Dies

Miss Hsien Pin-hsin, famous Chinese author and an active element in the new literature movement in China, died of consumption at Kunming at the age of 37, according to a statement made recently at Peiping by a professor of the College of Literature of the National Peking University.

Shortly before her death, she was a professor at the South-Eastern Federal University.

Miss Hsieh was born at Foochow, Fukien, in 1902. After having made a through study of Chinese classics she attended Yenching University Women's College and graduated in 1923. She received an M. A. from Wellesley in 1926, then returned to teach at Yenching.

She wrote modern verses under the pen name of Ping Hsin and was author of "The Stars," "The Spring Water," "Superman and Other Stories" and "The Letters."

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Who's Who in China

Hon. M. K. Lo, lawyer; born in Hongkong, 1893; received his advanced legal training in England; Justice of the Peace, Hongkong, 1921; Chairman, Board of Directors, Tung Wah Hospital, Hongkong, 1930; member, Santary Board

羅 文 錦

M. K. Lo, (Lo Wen-ching)

(now Urban Council), Hongkong, 1932-36; member, District Watch Committee, Hongkong, 1932; now, solicitor and notary public, Hongkong; senior unofficial Chinese member, Hongkong Legislative Council; legal advisor, Hongkong Chinese General Chamber of Commerce and Hongkong Chinese Medical Association; director, Hongkong & Shanghai Hotels, Ltd.; China Light & Power Co., Ltd.; Hongkong Tramways, Ltd.; Indo-China Steamship Co.; Hongkong and Whampoa Dock Co. Ltd.; Hongkong, Canton & Macao Steamboat Co., Ltd.; Hongkong Land Investment Co.; Canton Insurance Office, Ltd.; Hongkong Fire Insurance Co., Ltd; member of the Council of Hongkong University; Director, Lingnam University, Canton; past president, Hongkong Rotary Club; vice-president, Hongkong Branch of the English Association; vice-patron, St. John Ambulance Association & Brigade, Hongkong; address: Lo & Lo, Solicitor and Notary Public, Alexandra Building, des Voeux Road, Hongkong.

Mme. Chiang Receives Y.W.C.A. Honor

Mme. Chiang Kai-shek recently was presented with the blue triangle pin of the American Y.W.C.A. becoming the third woman in the world to receive the honor, according to a **United Press** report from Chungking. The presentation was made by Miss Lilan K. Haas, secretary of the Y.W.C.A. National Board for China.

The presentation was made in the presence of the Generalissimo, Mr. Nelson T. Johnson, U.S. Ambassador to China, and many important Government officials and their wives.

Madame Chiang became the third woman in the world to be presented with the pin, Mrs. Eleanor Roosevelt, wife of the President of the United States and Queen Elizabeth of England being the other recipients.

Miss Haas, in presenting the pin, said that the "three triangles represent three Democracies—China, Britain and America.

Men and Events

M. Jean-Louis Paul-Boncour, Counsellor of French Embassy in China, arrived in Peiping on March 30.

*

Mgr. Jean Casado, apostolic vicar for Thabian in Tonkin, died in Spain on April 1. He was a member of the Dominican order.

*

The trial of Gerald E. Casement, charged with the murder of 15-month-old Floyd Allan Sebastion, was scheduled to be continued on April 3.

*

After claiming 146 victims, including 39 fatalities, the small pox epidemic in Hsinking ended after lasting for two months. The populace are no longer required to carry vaccination certificates.

*

The Manchukuo Government has issued a statement, according to a report from Hsinking, to the effect that the trade pact between Manchukuo and Germany has been extended for one year.

*

Brigadier Bertie Morris, commanding officer of the Salvation Army in this district, has been transferred to a post in Canada and will leave Shanghai, April 5. The Brigadier has spent 20 years in Salvation Army work in China.

*

Tashio Kashiwada, a camera man employed by the **Japan News Film Company**, was severely injured March 30 in an airplane accident in Indo-China. He was severely burned and bruised and is confined to an army hospital.

*

The Economic Mission sent to Japan by the Government of Afghanistan arrived in Shanghai on Sunday, March 30, according to the **Shanghai Mainichi.** The Mission, consisting of seven members, were passengers on the N. Y. K. Haruna Maru.

*

Gen. Bugulesco, recently appointed Rumanian Minister to Japan, has been accredited concurrently as Minister to Manchukuo. Gen. Bogulesco's appointment as Minister to Manchukuo apparently was overlooked when the original announcement was issued in Tokyo.

*

Miss Margery Speaks, former missionary of the Presbyterian Church at Tengchow, died in New York City February 24, it was learned here March 27. She was working in the offices of the Associated Boards for Christian Colleges in China at the time of her death.

*

Mr. J. Favret, manager of the Compagnie Francais de Tramways et'Eclairage Electriques de Shanghai, who has been with the company for the past 17 years, will be replaced by a new appointee from the Head Office in France as soon as his contract expires on April 3.

*

As a result of a strike at the Tientsin Power Station March 24, some parts of the French Concession were without power and light for several hours that night. The strike starting at 4:20 p.m. when the employees walked out was settled at 10 p.m. after the demands were accepted, and the workers returned to work immediately.

*

The second conference of chiefs of Japanese consular police agents in Central China closed March 26, following a three day session. Also attending the conference were officials of North and South China Consular Police. It was. said they discussed means of protecting Japanese residents and maintaing "peace and order."

The **Central Press** on March 26 reported that the Commissioner of the Western Area Special Police has decided to orgunize a Volunteer Corps for the Western District. The Special Police will supply equipment for the volunteers.

*

Beginning April 1 the heads of the civilian defense units will be given a period of training in air raid defense, according to report from Tokyo. The first part of this training will be completed by the end of September, when the annual nationwide 10 day air raid drills will start.

*

A package of cigarettes a day per person is all that Tokyo tobacco shops are now allowed to sell, according to a **Reuters** dispatch from Tokyo. This measure was instituted March 27 because of a current tobacco shortage in Japan, it was stated.

*

The local Estonian Society held a general meeting March 27 and passed several important resolutions, including the approval of monthly radio programs, resumption of Estonian Language Classes, and the appointment of a committee to locate a summer resort for members.

*

The Japanese population in Peiping has increased tremendously during the last four years according to an article in the Chinese press. In December, 1937, there were 4,647 Japanese residents there, in December, 1940, there were 31,137.

*

According to a report in the **Tairiku Shimpo,** the Shanghai Korean Residents' Association will be incorporated into the Japanese Residents Corporation in the near future. This merger was decided upon at a recent meeting of the Japanese Residents' Corporation.

The Jewish Community here has been allotted a plot of land measuring 2.487 mow, free of charge by the Shanghai Municipal Council, for use as a cemetery for Jewish indigents. The land will be administered by the Jewish Community at its own expense.

*

An iron deposit said to contain approximately 400,000,000 tons of raw iron has been located on Hainan Island, states a **Havas** dispatch from Tokyo. The Nippon Nitrate concern will start mining operations shortly. A railroad will have to be laid down along some 30 miles between the deposits and the nearest port, the dispatch continued.

*

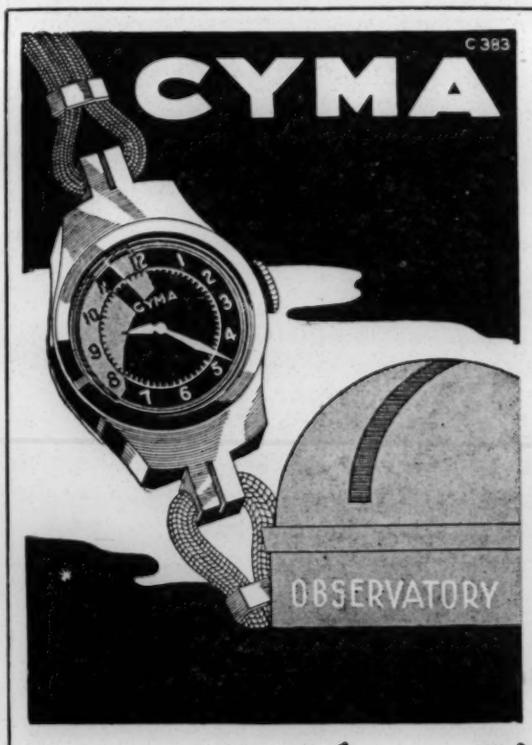
According to a **Reuters** dispatch from Harbin, 12 Russian girls, including blondes, brunettes and one redhead, have started working for the Manchukuo Motion Picture Corporation. These girls, whose ages range from 16 to 22 are to be trained for stardom.

*

The **Manchuria Daily News,** stated that the distribution of certain daily necessities by the card system will begin May 1. The exact requirements of each household have been printed on a card, and before a purchase can be made the card must be produced. Main items include bean oil, kaoliang and maize, however, the authorities are expected to add other articles to the list.

*

General Joseph Apanasenko has been appointed Commander-in-chief of the Far Eastern front, according to a Moscow dispatch to the official German news agency on March 25. He was formerly Commander-in-Chief of the Central Asia military district, and was promoted General only a month ago. He succeeds General Gregory Stern, who was known as the "Hero of the Soviet" because of his successes over the Japanese in both Chengkofeng and Nomouhan battles.



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Chao Wei-tsu, director of the Shanghai Boy Scous War Sedvice Corps, who recently arrived in Chungking, became ill and died there on March 24. Mr. Chao was also principal of the Shanghai War Refugees Middle School.

*

The American steamer Western Queen arrived in New York March 30 from Rangoon, Burma carrying a large of tungsten are from China valued at US$3,000,000. This was the third large tungsten cargo to arrive.

*

According to a **Havas** message from Tokyo on March 29, American grocery stores placed orders in Japan for 1,000,000 jars of Japanese made anchovy paste. The Japanese previously sold this product in Italy and South America.

*

According to **Transocean**, the so-called Soviet Russian "Godless Association" now has 3,500,000 members. Nearly 500,000 were added in 1940, stated the report. The organization is said to have 112,000 branches and operates 47 anti-religious museums.

*

According to the **Sin Wan Pao**, the Appointment of Dr. P. W. Kuo as Administrative Vice-Minister of Finance and Mr. Huang Pa-tu as Administrative vice-Minister of Social Affairs was announced March 24, by the Chungking Government.

*

A monk named Wu Pien, leading priest of Fengchen Temple in Inner Mongolia died on March 7 at age of 129 years. He first became a monk at Tan Che Sze Temple in the western hills near Peiping in the 4th year of Emperor Shin Feng or the late Ching Dynastry or in the year 1854.

*

A collection of poems written by Wang Ching-wei, head of the Nanking Government, has been published in book form by the **Toa Nippo**, Japanese military organ in Peiping. Shosaku Kurone, publisher of the Japanese paper, made a trip to Nanking last week in order to present Mr. Wang with several volumes of the anthology.

*

A total of 185 Jewish refugees who had been detained at Tsuruga, Japan, following their arrival from Europe March 28, were finally permitted to land and proceed to Kobe. Most of them came from Germany and had traveled across Rdssia. They hope to go to the U.S. At present they are being assisted in Japan by the Jewish Society in Kobe.

*

A recent report stated that the Fukien Provincial Government had decided to petition the Chinese National Government for permission to make Foochow a municipality. This is believed to have been done as it will promote general administrative efficiency and give the authorities more control over industrial and commercial enterprizes and foodstuffs.

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R. Germain, French Consul at Mukden, has been appointed Consul at Hankow. C. Remmer, French Vice-Consul at Hongkong has been appointed Consul at Mukden.

*

T. F. Shields, of the Shanghai District office of The Texas Company (China) Ltd., has been transferred to the Singapore office of the Company. Mr. Shields departed from Shanghai on the President Jackson on March 26.

*

According to a **Chung Hua News Agency** message quoted in the **Chen Pao**, six special districts in Hopei have been alloted for opium-poppy cultivation. The districts are: Chochow, Lianghsiang, Fangshan, Laishui, Hsushui, and Hsicheng, which cover an acreage of 25,000 mow.

*

United States gold imports for the week ended March 19 totaled US$18,473,379 of which Canada sent US$9,580,214. Japan was next with US$3,046,111, South Africa and the Philippines followed with US$2,619,689 and US$2,386,659 respectively, according to a dispatch from Washington, D. C., March 26.

*

Ernest Hemingway, well-known American writer, who is traveling in West China collecting information for a series of articles arrived in Shaokwan, Kwangtung Province, and was welcomed by General Yu Han-mow, commander of the forces on March 27. He is accompanied by Mrs. Hemingway, who is also a well-known writer. They are planning to visit Kwangsi Province before going to Chungking.

*

It was announced officially in Chungking on March 31 that the British Government had agreed to build the section of the Yunnan Burma Road between Lashio and the Burma Border. The Burma Government will supervise the construction. Work on the Chinese section connecting Kunming with the Burma Border, has already started. Construction will be financed by a US$10,000,000 loan raised in the U.S.

*

A Japanese report that the Kobe Branch of Jardine, Matheson and Company, Ltd. was intending to close down on March 31 was emphatically denied in Hongkong by an official of the company, states a **Reuter** dispatch March 26. The dispatch quoted the official as saying that their representative in Kobe was leaving temporarily, but the property and offices will continue under the management of a limited staff.

An image of Buddha, relic of the Nara period in Japanese history, was stolen from the Bishamondo temple near Kobe on March 20. The police have started a wide-scale hunt and according to a statement in the **Kobe Shimbun**, they suspect some antique dealers who visited the temple recently.

*

Bishop Paul Yu Pin, head of the Chinese Catholic Church in China, who serves concurrently as Chairman of the Board of the **I Shih Pao**, organ of the Church in China, announced on March 26 the appointment of Yang Mu-shih as Director of the paper in succession to Niu Jo-wang, who has resigned.

*

The Japanese Welfare Ministry which is exerting itself to increase the Japanese population, should award first prize to Mrs. Yasuko Hashimoto of Kyoto, who, according to the **Asahi**, gave birth to a baby boy on a street corner, while she was waiting for a taxi to take her to a maternity hospital. The taxi, being short of gasoline, was late, according to pedestrians, who helped Mrs. Hashimoto and the new-born baby to the hospital, "where both were reported doing well."

*

The Siamese are beginning to pay their debt to the Japanese for services rendered to Siam in the recent "war" with French Indo-China. The Japanese papers reported on March 20 that Thai had given Mitsui and Company the contract to construct a Yen 3,100,000 slaughter house, to be built in Bangkok. The slaugher house will handle 500 head of cattle, 2,000 pigs and water buffalo daily, twice the capacity of any slaughter house in Japan, stated the report. It was claimed that the Japanese were given the contract in competition with American and European concerns. It was thought in some quarters that the new slaughter house might not be altogether disconnected with Japan's "southern expansion" movement.

The French authorities in Indo-Chino have agreed to permit some 10,000 bags of mail destined for Western China to be transported from the French Colony to Chinese territory by courier. The mail is beginning to arrive at Kunming at the rate of 100 bags daily according to a **Kuomin** report. The mail, much of which originated in Shanghai, had accumulated in Indo-China since the disruption of communications on the Yunnan-Indo-China Railroad following the Japanese intervention.

*

Leo J. Alexander, 56-year-old wealthy New Yorker, was convicted on March 30 of manslaughter in connection with the death of 7 Chinese when the tenement he owned burned in China Town, New York in 1939. Alexander faces a sentence of from 15 to 30 years imprisonment. He was convicted of failure to install fire exscapes and fire retarding walls in the building. He claimed that rents he received, amounting to only US$3 to US$8 weekly were not sufficient to warrant construction of fire escapes.

*

Dr. Quo Tai-chi, Chinese Ambassador to London, will shortly be recalled to Chungking to take over the post of Foreign Minister of the National Govrnment. Dr. Wang Chung-hui, who has been Foreign Minister for several years, will be appointed Secretary-General of the Supreme National Defense Council. Gen. Wu Teh-chen, former Mayor of Shanghai and now Minister of Overseas Affairs at Chungking has been appointed Secretary-General of the Central Kuomintang, succeeding Yeh Chu-cheng, who resigned due to illness. Liu Wei-chih will replace Gen. Wu as Overseas Minister. Dr. V. K. Wellington Koo, Ambassador to France, may be transferred to London. The foregoing appointments and transfers were authorized by the plenary session of the Central Executive Committee of Kuomintang, which concluded its sessions in Chungking on April 2.

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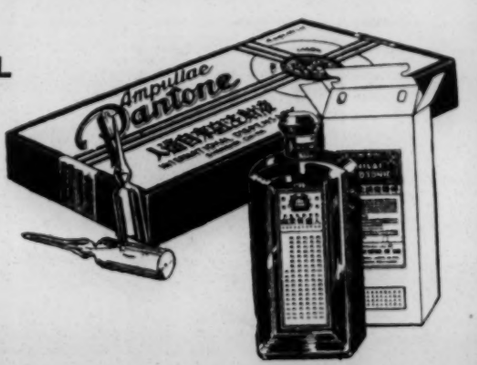

New Books of Interest in the Far East

Memoirs of Many Places

TEST TUBES AND DRAGON SCALES, —By George C. Basil, M.D., formerly superintendent "Syracuse - in - China" Hospital, Chungking, in collaboration with Elizabeth Foreman Lewis; The John C. Winston Company, Chicago; 316 pages, price US$2.50.

DIPLOMATICALLY SPEAKING, — By Lloyd C. Griscom; Little, Brown and Company, Boston; 476 pages, price US$3.50.

Neither of these books is important, and none will learn any great truths from reading them; but they are two of the most fascinating volumes this reviewer has run across in many a day and are, therefore, unreservedly recommended as a pleasant antidote to books which are important and do contion great truths.

Dr. Basil does not quite hit the literary stride of a French medico who some years ago wrote about his sojourn in Chungking (which was translated into English under the title of "Medicine Man in China"), but with Miss Lewis's aid he tells a swell story competently and with graceful humor. And you will actually learn more about China from his personalized account than from many a more ponderous tome. He was long in the old—pre-war—Chungking, and anyone who ever spent even a week in that amazing metropolis (as the reviewer once did) will appreciate—perhaps even to the point of nostalgia—his memoirs of it.

Unless Dr. Basil is rounding out a first class book with a tall traveler's tale, he traces to ground a legend that the reviewer once chased over a wide area of China, but did not himself investigate in Chungking. That is: do Chinese ever serve a live monkey at a feast, cracking open the skull and eating the raw brains? Dr. Basil gives a detailed description of this piece-de-resistance at a farewell banquet for him in Chungking. The reviewer first heard of this alleged Celestial delicacy before he ever came to China. In Shanghai, he was told it was a Cantonese dish. In Canton he was told that it was served in Amoy or Foochow. He could not find it in Amoy or Foochow, so he concluded it was a part of the same legend that Chinese doctors charge for keeping you well and render their services gratis when you get sick. Now Dr. Basil gives it new currency and validity. **The China Weekly Review** would be glad if any of its readers would contribute pro or con on the subject: nothing could be less important or more interesting in these times.

Mr. Griscom, American envoy, minister and ambassador in many countries al over the world, has honestly and aptly entitled his volume of memoirs. He still speaks only diplomatically, which is to say that he ever pulls his punches. He undoubtedly could contribute a lot of "inside history" to the record; that he does not choose to do so is, of course, his inalienable right. What he does have to say—of diplomatic service in England when he was 20, in Turkey when he was 26, in Persia at 28, Japan at 29, Brazil at 33, Italy at 34, and in Paris and London at 45—is intensely interesting even though you learn nothing of consequence that has not been previously set forth.

For Far Eastern readers, he throws some if not the brightest possible light on American diplomacy during the Russo-Japanese war, when he was American minister in Tokyo. The policy of the first Roosevelt administration was pro-Japanese as against Russia, and Americans and Japanese then seem to have been just one big happy family. Mr. Griscom records he erred in reporting to the State Department that Japan would declare war before beginning hosilites; instead, she did not declare war until two days after starting hostilites. There was a diplomatic farewell party to Russian envoy, Baron Rosen, at which everyone seems to have been quite embarrassed. Baron Rosen was diplomatically restrained, but his wife burst out in a voice heard all over the room: "How did you dare pretend to be our friends when you were knifing us all the time in the back?" No one had even a diplomatic answer to that.

"Americans in Japan," records Mr. Griscom, "were rampantly pro-Japanese, and believing the United States was on their side, the Japanese frequently greeted out entrance at one of their gatherings with cheers and the playing of the Star-Spangled Banner." O tempora, O mores!

But there seems to have been one constant in an otherwise variable equation. Mr. Griscom could not get the information desired by the friendly U. S. Department of State, "I had the impression," he says, "that the Foreign Office was taking orders from the Army." He also found that the Japanese Secret Service had a collection of seals of every country which enabled them to open and shut a dispatch bag without showing a trace. "As a test," he recounts, "I included in one report a deliberate misstatement of fact. Within a week Baron Komura (Foreign Minister)) remarked he was afraid our Government was receiving an erroneous conception of a certain matter which he wanted to correct. After that episode I began to lok for Americans on their way home who could act as temporary special couriers."

Best part of Mr. Griscom's book is his putting in print for the first time (so far as the reviewer is aware of one of the classic episodes of American diplomacy—told wherever members of the U.S. diplomatic service foregather over enough whiskey. Jack London, famed writer, was a correspondent in the Russo-Japanese war and was arrested for taking pictures of Japanese fortifications. On Mr. Griscom's intervention he was released, but his camera was retained. London returned to Tokyo "sputtering with wrath" and complaining that a war correspondent "without his camera was like a plumber without his tools." Mr. Griscom took up the matter with Baron Komura, who summoned legal counsel. The counsel said that under the law "the weapon

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with which a crime has been committed becomes the property of the court." Mr. Griscom asked if this applied to every crime of every description. He was assured it did. Then Mr. Griscom asked: "If I can name a crime to which this does not apply, will you release the camera?"

Baron Komura pondered for a few moments, then replied: "Yes, I will."

"What about rape?" asked Mr. Griscom.

Mr. London then got his camera back.

W.B.

U. S. Policy

UNITED STATES POLICY TOWARD CHINA; DIPLOMATIC AND PUBLIC DOCUMENTS, 1839-1939; Selected and Arranged by Paul Hibbert Clyde; Duke University Press, Durham, 1940; xvi, 321 pages; U.S.$3.50.

No one can expect a single volume of documents to be complete, and depending on the interests of the reader, the selections will be criticized. But for those who are not professional historians and at the same time are desirous of being well-informed on American policy in the Far East, that is an excellent supplement to books which provide a general survey of this subject. Herein are to be found the full texts of important treaties between the United States and China; and a large assortment of other papers covering all important topics, such as the origin of the "most-favored nation" policy, the "open door," problems between the two countries raised by American missionary activities, the question of Chinese immigration, and a few of the most important statements to show how differences developed between the United States and Japan over China, from the Root-Takahira Notes of 1908 to the termination, July 1939, of the 1911 Treaty of Commerce and Navigation. This book is designed for college students to provide them source materials in courses dealing with the Far East in modern times, and is edited by a man who has had experience teaching the subject in college class rooms. Adult students, who never had such a college course, will also find it handy and useful Unfortunately there is no index.

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In the United States Court for China

ZOIA ROSENBACH ISAKSON, *Plaintiff*,

vs.

GREGORY ISAKSON, *Defendant*.

Cause No. 4582
Civil No. 2461
ORDER
Filed at Shanghai, China,
March 28, 1941.
WILLIAM T. COLLINS
Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorneys, Messrs. Rodger & Wiener, has this 28th day of March, 1941, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 28th day of March, 1941, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 28th day of March, 1941, the plaintiff herein filed an Affidavit to the effect that the defendant is a non-resident of this District, and that defendant's last known address was Flood Building, Room 588, San Francisco, California, United States of America.

NOW, THEREFORE, it is this 28th day of March, 1941, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the China Weekly Review, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 19th day of April, 1941, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

By the Court,

MILTON J. HELMICK,
Judge.

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